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### THESIS

**TERRORISM AND ORGANIZED CRIME:  
THE ALLIANCE OF TOMORROW?  
HOW TO COUNTER A POSSIBLE FUTURE THREAT**

by

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June 1998

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HOW TO COUNTER A POSSIBLE FUTURE THREAT**

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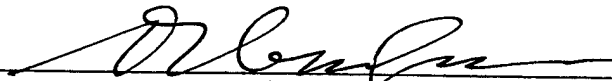


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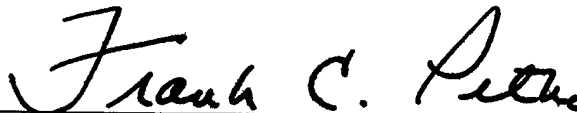
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## ABSTRACT

While in the post-Cold War era threats to international security have become less direct and apocalyptic, they are today more diffuse and insidious. With the probability of large scale, high intensity conflicts decreasing during the 1990s, terrorism and transnational organized crime—each in itself—constitute an increasing and serious threat to the national security of affected nations. Any alliance of these two criminal phenomena is likely to cause a disproportional increase of the overall threat.

The thesis, while following an analytical/inductive approach, tries to identify the rationale for such alliances. Although aims and objectives of terrorists and organized criminal groups are different by nature, alliances of convenience have already formed in the past. With globalization apparently working in the favor of terrorists and organized crime, it seems to be only a question of time before they begin merging and start working jointly. Since those criminal organizations tend to exploit the weaknesses of international cooperation by increasingly operating in the transnational sphere, any attempt at a successful counter-strategy has to meet this threat where it originates. Against this background, international cooperation of law enforcement agencies becomes increasingly important —“Internal Security”, it seems, acquires a transnational dimension.



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## LIST OF ABBREVIATIONS/ACRONYMS

<b>ADM-19</b>	<i>Acción Democrática M-19</i> (Democratic Action M-19)
<b>BND</b>	<i>Bundesnachrichtendienst</i> , Germany's Intelligence Agency
<b>BPA</b>	<i>Bundespresseamt</i> , Germany's Federal Press Information Service
<b>BTX</b>	Type-A Botulinal Toxin
<b>CB</b>	Chemical and Biological
<b>CIA</b>	Central Intelligence Agency
<b>CIS</b>	Commonwealth of Independent States
<b>CSIA</b>	Center for Science and International Affairs
<b>CSIS</b>	Center for Strategic and International Studies
<b>DEA</b>	Drug Enforcement Administration
<b>DOS</b>	Department of State
<b>DPA</b>	<i>Deutsche Presseagentur</i> (German Press Agency)
<b>DSB</b>	Defense Science Board
<b>ELN</b>	<i>Ejército de Liberación Nacional</i> (National Liberation Army)
<b>ELP</b>	<i>Ejército Popular de Liberación</i> (Popular Liberation Army)
<b>FARC</b>	<i>Fuerzas Armadas Revolucionarias de Colombia</i> (Revolutionary Armed Forces of Colombia)
<b>FBI</b>	Federal Bureau of Investigation
<b>FEI</b>	Obninsk Institute of Physics and Power Engineering
<b>FinCEN</b>	Financial Crimes Enforcement Network
<b>FRG</b>	Federal Republic of Germany
<b>FSB</b>	<i>Federalnaya Sluzhba Bezopasnosti</i> , KGB's Successor Organization (Russia's Intelligence Agency)
<b>FSU</b>	Former Soviet Union
<b>GDR</b>	German Democratic Republic
<b>GNP</b>	Gross National Product

<b>HEU</b>	Highly Enriched Uranium
<b>IEWS</b>	Institute for EastWest Studies
<b>IRA</b>	Irish Republican Army
<b>KGB</b>	Intelligence Agency of the FSU
<b>LE</b>	Law Enforcement
<b>LTTE</b>	Liberation Tigers of Tamil Eelam
<b>MINATOM</b>	Russia's Ministry of Atomic Energy
<b>MOD</b>	Ministry of Defense
<b>MRTA</b>	Tupac Amaru Revolutionary Movement
<b>MVD</b>	Russia's Ministry of Interior
<b>M-19</b>	<i>Movimiento 19 de Abril</i> (19 <sup>th</sup> of April Movement)
<b>NATO</b>	North Atlantic Treaty Organization
<b>NSC</b>	National Security Council
<b>NYT</b>	New York Times
<b>OC</b>	Organized Crime
<b>PIRA</b>	Provisional IRA
<b>PKK</b>	Kurdish Worker's Party
<b>RCB</b>	Russian Central Bank
<b>ROC</b>	Russian Organized Crime
<b>T</b>	Terrorism
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UP</b>	<i>Unión Patriótica</i> (Patriotic Union, Political Front of FARC)
<b>U.S.</b>	United States of America
<b>U-XXX</b>	Uranium-XXX
<b>WMD</b>	Weapons of Mass Destruction
<b>WTC</b>	World Trade Center

## EXECUTIVE SUMMARY

Since the end of the Cold War, threats to international security have become less direct and apocalyptic. Today they are more diffuse and insidious. The international community through the remainder of the 1990s and into the next millennium thus faces a set of challenges that is as complex as it is novel.

On January 27, 1998, in his "State of the Union Address", President Clinton identified "terrorists, international criminals and drug traffickers" as an "unholy axis of new threats".

Whereas the threats are not completely new, their potential has significantly increased in recent years. Terrorism and organized crime are the two pillars of these non-state originated threats.

Religious fanaticism, ethnic-nationalist conflicts, political ideologies, widespread poverty, unemployment, and social alienation are factors that have always propelled individuals and groups into terrorist campaigns.

The dimensions of contemporary, global organized crime present a greater international security challenge than anything Western democracies have had to cope with since the Cold War. Worldwide alliances are being forged in every criminal field from money laundering and currency counterfeiting to trafficking in drugs and nuclear materials.

Acting increasingly on a transnational level, these criminal actors have three significant advantages. First, they respect no boundaries, whether political, organizational, legal, or moral. Secondly, they cannot easily be deterred, since they have no homeland and thus constitute no discrete target. Finally, they can have ready access to weapons of mass destruction.

While as such, either of these criminal phenomena already constitutes a significant threat by itself, any alliance between organized crime and terrorism is likely to disproportionately increase the overall threat to the national security of affected nations.

In order to explain the rationale for such alliances, this thesis will try to answer the following questions:

- What are the characteristics and means of “Postmodern Terrorism” and contemporary “Organized Crime”?
- What kind of threats are lying ahead? Have there been examples of cooperation between terrorism and organized crime in the past?
- Is a future alliance between terrorism and organized crime likely?
- What are the salient elements and implications of such alliances?
- Which are appropriate counter-strategies to meet such transnational threats?

Terrorists, organized crime, fanatical single issue groups, and even individuals are able to muster know-how and resources that were once limited to world and regional powers. The appearance of new types of terrorists from the margins makes targeting and preemptive measures for law enforcement agencies even more difficult. Technology has proven to be a double-edged sword. The information systems used by advanced societies and their vulnerabilities offer a new battlefield which is likely to be exploited by terrorists and organized crime. In consequence, nowadays’ societies have to face the evolved, traditional terrorist together with the new breed described above, as they have to face old, traditional technologies together with the whole spectrum of WMD.

Since Russian organized crime had been contained in the power structure of the Soviet Union, particular attention was paid to its development in the post-Cold War era. The discussion of the phenomenon of organized crime will thus focus on the rise of the Russian mafia, and its increasingly transnational dimension.

Today, an estimated 110 Russian mafia gangs operate in more than 44 countries worldwide. Several organizations are already cooperating with other mafia groups such as the Yakuza, the Colombian Cartels, or the Italian Mafia. As criminal organizations and gangster bureaucrats position themselves to increase their political power and wealth, their criminal activities are likely to further extend internationally.

Since 1991 Europe and the U.S. have already witnessed a significant increase in Russian organized crime. What is striking about the Russian organizations is that they

appear to be willing to make deals with everyone. In this context, the exploitation of Russia's military-industrial complex adds new vistas to an already significant threat.

As the example of narcoterrorism shows, the existence of different long term objectives did not exclude short or mid term alliances as long as they served the common goal of saturating law enforcement agencies. Thus, evidence exists that under specific circumstances organized crime and terrorists may seek alliances which otherwise seem unlikely.

Despite a fundamental difference between the means and ends of criminal and terrorist organizations, there are factors which suggest a growing, and perhaps irreversible, trend towards convergence. First, transnational criminal organizations are increasingly resorting to terror tactics. Second, transnational criminal organizations seem willing to develop direct links with groups that use indiscriminate violence for otherwise political ends. A third element influencing the convergence between terrorism and transnational organized crime is the changed security context. In the post-cold war era, international terrorism has lost a significant amount of sponsorship. While state-sponsored terrorism still exists, it has become less important. As terrorist organizations find that government financial support is in decline, they seem likely to turn to organized crime as an alternative source of funds.

While the motives of terrorist groups and transnational criminal organizations may differ, the strategies they adopt to achieve their objectives seem to converge. Linkages and alliances of convenience between them are likely to saturate law enforcement agencies.

Organized crime, at least for the predictable future, is likely to remain the most powerful non-state actor. Globalization, it seems, works predominantly in its favor. An alliance with terrorist organizations would only be the logical consequence of an already established behavioral pattern. Together with technology and weapons—including WMD—this kind of evolution could even lead to a quasi-equilibrium with the legitimate structures.



As organized crime has long since crossed national borders and is increasingly becoming a transnational phenomenon, any response to it, if it is to be effective, should be transnational as well. Criminal organizations in the past have proven to be not only highly sophisticated, but also extremely adaptable in their efforts to exploit the existing gaps in the patterns of cooperation. Against this background, the international cooperation that has already developed needs to be intensified.

Any kind of cooperation and counter-strategy ultimately will depend upon the will of governments to allocate both human and financial resources to the efforts to control and prevent transnational organized crime. Considering the grave threat transnational organized crime poses to world security, the international community must begin to develop procedural and operational mechanisms to combat the problem on an adequate scale. Transnational threats can only be met with a transnational response. The internal security of an affected nation no longer ends where the sovereignty of this very nation starts.

In summary, it is the strong believe of this author that the emergence of alliances between organized crime and terrorists is no longer a question of *if* it's going to happen. It is merely a question of *when* it will happen. For law enforcement agencies the conclusion should be that preemptive search patterns and investigations should consider the possibility of linkages between these criminal organizations. Combating this threat will require operational, organizational, and legislative measures, as well as the will of the respective decision makers to treat this threat for what it is –a transnational challenge to the security of the free world.

## I. INTRODUCTION

*"Terrorism, drugs, organized crime, and proliferation of weapons of mass destruction are global concerns that transcend national boundaries and undermine economic stability and political stability in many countries."*

President William J. Clinton<sup>1</sup>

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### A. THE TWO PILLARS OF NON-STATE ORIGINATED THREAT

Since the end of the Cold War, threats to international security have become less direct and apocalyptic. Today they are more diffuse and insidious. The international community through the remainder of the 1990s and into the next millennium thus faces a set of challenges that is as complex as it is novel. With the probability of large scale, high intensity conflicts decreasing, terrorism and transnational organized crime constitute the most serious of these threats.

On January 27, 1998, in his "State of the Union Address", President Clinton identified "terrorists, international criminals and drug traffickers" as an "unholy axis of new threats".

Whereas these threats are not completely new, their potential has increased in recent years. While in the post Cold War era high intensity conflicts have become less likely, Western democracies nowadays are facing a variety of threats which are more complex, and hence harder to counter. Terrorism and organized crime are the two pillars of these non-state originated threats.

The dimensions of contemporary, global organized crime present a greater international security challenge than anything Western democracies have had to cope with since the Cold War. Worldwide alliances are being forged in every criminal field from money laundering and currency counterfeiting to trafficking in drugs and nuclear materials.

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<sup>1</sup> Quoted in: The Defense Science Board 1997 Summer Study Task Force, DOD Responses to Transnational Threats: Volume I—Final Report, Office of the Under Secretary of Defense For Acquisition & Technology, Washington DC, October 1997, p.i.

What makes these forms of behavior disquieting is that they allow criminal organizations to accumulate a degree of power and wealth that rivals and in some cases surpasses that possessed by governments. Some criminal organizations have the ability to move hundreds of billions of dollars in and out of legitimate financial systems. In Colombia, for example, a few years ago several members of the Medellín cartel reportedly offered to pay off the Colombian national debt, if only their government would promise to ignore its extradition treaty with the United States. In Russia, organized crime groups have a choke hold on the country's vast resources, and they control most of the banks and the media. Today, global organized crime is the world's fastest growing business. Its sole aim is profit, unhampered by moral and ethical considerations.

Religious fanaticism, ethnic-nationalist conflicts, political ideologies, widespread poverty, unemployment, and social alienation are factors that have always propelled individuals and groups into terrorist campaigns.

Acting increasingly on a transnational level, these criminal actors have three significant advantages. First, they respect no boundaries, whether political, organizational, legal, or moral. Secondly, they cannot easily be deterred, since they have no homeland and thus constitute no discrete target. Finally, they can have ready access to weapons of mass destruction.

While as such, either of these criminal phenomena already constitutes a significant threat by itself, any alliance between organized crime and terrorism is likely to disproportionately increase the overall threat to the national security of affected nations. In fact, an amalgamation of above mentioned threats, together with the ability to obtain nearly every (weapons-) technology available makes worst case scenarios, which in the past were beyond imagination, more and more realistic.

In order to explain the rationale for such alliances, this thesis will try to answer the following questions: Is a future alliance between terrorism and organized crime likely? What kind of threats are lying ahead? What are the characteristics and means of "Postmodern Terrorism" and contemporary "Organized Crime"? Have there been

examples of cooperation between terrorism and organized crime in the past? What are the salient elements and implications of such alliances? Which are appropriate counter-strategies to meet such transnational threats?

First, however, the two pillars of non-state originated threat have to be briefly introduced.

## **1. Terrorism**

While the face and origins of terrorism have changed over time, for a long period its essential aims and techniques seemed not to have changed at all. 'Kill one – frighten thousand', a phrase used by Sun Tzu over 2,500 years ago still describes the essence of terrorism as a technique of intimidation that has been used by governments to discipline their people and by sub-national groups to weaken and to overturn established authority. Terrorism is a technique used by a large variety of groups: by authoritarian governments and by their death squads, as well as by dissidents and by political activists of the left and the right; by guerrillas and freedom fighters, as well as by nationalists; by ethnic and religious groups, as well as by mafia-style and drug trafficking organizations. (Clutterbuck, 1994, pp.3-5)

Given that intimidation is the main purpose of terrorism, terrorism can be defined as "The purposeful act or the threat of the act of violence to create fear and/or compliant behavior in a victim and/or audience of threat" (Stohl, 1990, p.83). Since the target of violence (victim) more often than not is not identical with the target of influence (the actual target), the act of violence can best be described as symbolic. As far as the audience is concerned, 'terror' is experienced because the act violates the normative values of the target entity in terms of the employment of (lethal) force, which is considered to be a monopoly of the state. Since the normative and ethical values of mankind inhibit, restrict, or channel the employment of (lethal) force, the more horrifying the terrorist act, the greater the psychological impact upon target and audience (Hanle, 1989, p.105). Thus, unfortunately, there is a direct relationship between lethality and attention. The motivation behind the act of terrorism itself can be political, social, ethnic, religious, psychotic, or

merely criminal. While in the past foreign governments have frequently sponsored terrorist activities, or have acted through clandestine state agents, terrorism itself, in the context of this thesis, is considered to be conducted by a non-state group.

The variety of threats posed by terrorism include those related to the safety and welfare of ordinary people, the stability of political and economic systems, the health and pace of economic development, and the expansion of democracy.

Technological, scientific, cultural and social changes continually influence the capabilities of nation states in terms of warfare. These developments also impact the behavior and capabilities of terrorists. Given the evolution in information technology and the available 'information-highways', today's terrorists have nearly the same access to technology as government agencies and legitimate corporations. Consequently, they are likely to be better organized, more professional, and better equipped than their counterparts in the past.

## **2. Organized Crime**

With the probability of large scale, high intensity conflicts decreasing during the 1990s, transnational organized crime received increased scrutiny from intelligence agencies and academic researchers. Whether one calls these organizations 'Mafia', 'Cosa Nostra', and 'Camorra' in Italy, 'Triads' in China, 'Yakuza' in Japan, or 'Cartels' in Colombia, they all have in common that they pose a considerable security threat. Since Russian organized crime had been contained in the power structure of the Soviet Union, particular attention was paid to its development in the post-Cold War era. Assessments of the seriousness of the security challenge posed by Russian organized crime diverge remarkably. At one end of the spectrum, certain authors view the Russian mafia as a dangerous successor to the threat posed to Western societies by the Soviet Union. At the other end of the spectrum, observers believe that the threat is greatly exaggerated, and that Russian organized crime even has certain positive functions in Russia's society and economy. (Williams, 1997, p.1; 1996, pp.13-19)

Claire Sterling, who belongs to the more pessimistic end of the spectrum, describes the Russian mafia

...as union of racketeers without equal. Unlike the mafia in Sicily, which it admires and copies as a standard of excellence, it has no home seat or central command. There are no ancestral memories or common bloodlines. Nevertheless, its proliferating clans are invading every sphere of life, usurping political power, taking over state enterprises and fleecing natural resources. They are engaged in extortion, theft, forgery, armed assault, contract killing, swindling, drug running, arms smuggling, prostitution, gambling, loan sharking, embezzling, money laundering and black marketing –all on a monumental and increasingly international scale. (Sterling, 1994, p.19)

Against this background, the discussion of the phenomenon of organized crime will focus on the rise of the Russian mafia, and its increasingly transnational dimension.

## **B. ABOUT DEFINITIONS**

The purpose of any definition is to clarify, to describe, or simply to state what a specific “something” is about and/or what it is not. Thus, any definition at the same time offers opportunities for discussion. Any such discussion, in turn, could potentially lead to a new approach to the same subject or, in another conceivable case, to a new definition. Terrorism, for instance, is by nature difficult to define. Acts of terrorism conjure up emotional responses by victims and practitioners. Thus, the old myth that “One man’s terrorist is another man’s freedom fighter” still seems to be alive. Consequently, no one definition of terrorism has gained universal acceptance, and even the U.S. government cannot agree on a single one.

The following definitions of the most important terms used in this thesis do not claim to be the only possible or even the best. They simply help to set the stage for the following discussion.

- **Terrorism** is defined as ‘The purposeful act or the threat of the act of violence to create fear and/or compliant behavior in a victim and/or audience of threat’ (Stohl, 1990, p.83).

- **International Terrorism** means 'Terrorism involving citizens or the territory of more than one country'.<sup>2</sup>
- **Organized Crime** is defined as 'A conglomerate of persons associated for the purpose of engaging in criminal activity on a more or less sustained basis following an organizational pattern that is characterized by a hierarchical structure, a clear division of labor, a strict discipline operating vertically and based on prescribed norms and laws, and strict punishment which can include the elimination of apostates.'<sup>3</sup>
- **Transnational** is defined as 'Movement of information, money, physical objects, people, or other intangible items across state boundaries.'
- **Transnational Threat** is defined as any transnational activity that threatens the national security of a nation and/or the international security—including international terrorism, narcotics trafficking, the proliferation of weapons of mass destruction and the delivery systems for such weapons, and organized crime—and/or any individual or group that engages in any such activity.<sup>4</sup>
- **Russian Organized Crime** and **Russian Mafia** will be used as synonyms, describing the various criminal groups whose members come from and/or have ties to the former Soviet Union (FSU).
- **Non-State Group** is defined as an autonomous organization without any formal, overt connection to state government. It can be 'transnational', i.e., members may not see themselves as citizens of any country, but instead enjoin with those who manifest religious, ethnic, political, environmental, economic or other objectives that transcend nation-state boundaries; and it may be recognized as a legitimate organization (Campbell, 1996, p.16).
- **Weapons of Mass Destruction (WMD)** are defined as weapons that include nuclear explosives or radiological contaminants; lethal chemicals; or lethal biological agents (toxins or pathogens) (Campbell, 1996, p.15).

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<sup>2</sup> Definition in accordance with Title 22 of the United States Code, Section 2656f(d).

<sup>3</sup> For the definitions of 'Organized Crime' and 'Transnational', I draw on various sources, among others Williams, Rawlinson, and Finckenauer.

<sup>4</sup> The definition of 'Transnational Threat' is based on that provided by the DOD's Defense Science Board 1997 Summer Study Task Force.

- For the purpose of this thesis, and taking into consideration the partially dialectical use of both terms in the literature, the terms “guerrilla” and “terrorist” will be used as synonyms.

### C. CHAPTER OUTLINE

The following provides a brief overview of the organization of the chapters of this thesis.

Chapter II, by following an analytical/inductive approach, will identify trends of terrorist activities in the past, and provide an outlook for the kind of terrorism that is likely to lie ahead. In the attempt to predict future developments in the sphere of terrorism, the analysis of recent trends will focus on three aspects. First, the tactics and weapons used throughout the past decades, second the targeted victims, and finally the lethality of the terrorist acts. Additionally, the chapter will answer the question whether terrorism has changed, and which kind of terrorism societies are likely to face in the years lying ahead. Chapter II thus addresses the perspective of “Postmodern Terrorism”.

Chapter III introduces the salient features of contemporary organized crime. Without intending to create a single devil’s theory of cause, this chapter will focus on the rise of Russian organized crime and its increasingly transnational dimension. Since any attempt to seriously discuss this phenomenon has to focus on its evolution, the first subsection will provide a brief historical background. Following Patricia Rawlinson’s model, called “The Chameleon Syndrome”, and with the advantage of hindsight, the chapter will argue that the evolution of Russian organized crime seemingly was inevitable. The second subsection describes economic and political aspects of organized crime in Russia. Subsequently, the major mafia gangs and the activities of Russian organized crime throughout Europe and the United States will be introduced. Finally, this chapter will address the problem of nuclear trafficking. Since this aspect provides insight into the potential threat of arms, technology and WMD proliferation, its discussion will be more thorough. The example of a former KGB front company will additionally provide evidence



for the amalgamation between elements of the old Soviet power structure and contemporary criminal entrepreneurs.

Chapter IV focuses on possible future alliances and counter-strategies. Any serious attempt to identify possible alliances between organized crime and terrorist groups has to consider the narco-guerrilla connection in South America's Andean region. Thus, the first subsection describes and analyzes the phenomenon of Colombian/Peruvian narcoterrorism. While in both Latin American countries the narco-guerrilla connection constitutes a predominantly domestic security threat, the Colombian-Lebanese connection, which is subsequently introduced, suggests the existence of narco-terrorist cooperation on a transnational level.

The chapter discusses the salient elements of these different forms of collaboration between organized criminal groups and terrorist organizations, and introduces a "decision-making model" that can be used to identify processes which may lead to similar future alliances.

In the final section of Chapter IV appropriate counter-strategies for affected countries and their respective law enforcement agencies are introduced. Whereas contemporary transnational criminal organizations are operating in what for them is a borderless world, law enforcement, in contrast, remains constrained by having to operate in what is still a world with frontiers. While criminals, terrorists, weapons, and 'hot money' enjoy unprecedented mobility and are able to find cover and recruits in transnational ethnic networks created by migration, law enforcement efforts often find frontiers where cooperation is limited or not regulated. Thus, the final section focuses on the two elements which should be the pillars of any strategy that attempts to successfully counter the challenge of transnational crime. National law enforcement efforts constitute the first element. The emphasis, however, lies on the second element that moves from the domestic realm into that of international cooperation. Internal security, it seems, is no longer a mere domestic issue, can no longer be achieved with national efforts alone, but demands a transnational approach. Thus, the final subsection of Chapter IV underlines the

necessity of inter-state cooperation and argues for a transnational approach to a transnational problem.

Chapter V presents the conclusions of the research and answers the key questions of this thesis. In addition to the summary of the findings it will briefly introduce future research topics.



## II. POSTMODERN TERRORISM

*"He related to us that during World War II, the Americans had dropped the atomic bombs on the cities of Hiroshima and Nagasaki, killing 250,000 civilians, and he said that the Americans would realize if they suffered those types of casualties that they were at war."*

Secret Service Agent Brian Parr recounting Ramzi Ahmed Yousef's admission to the World Trade Center Bombing<sup>5</sup>

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Any attempt to predict future developments in the realm of terrorism has to start with an empirical analysis of operations. This chapter looks first for trends in the past, describes whether terrorism has followed any identifiable patterns, whether it has changed, and which kind of terrorism societies are likely to face in the years lying ahead. It thus addresses the perspective of "Postmodern Terrorism".

### A. TERRORISM (1968–1998)—TRENDS, TARGETS AND TACTICS

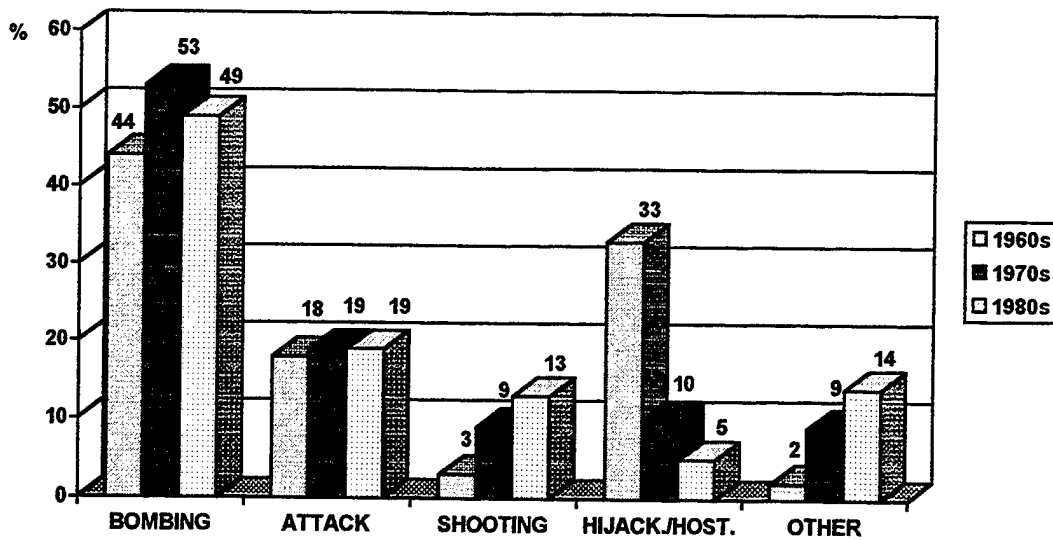
In the attempt to predict future developments in the sphere of terrorism, the following analysis of recent trends will focus on three aspects. First, the tactics and weapons used throughout the past decades, second the targeted victims, and finally the lethality of the terrorist acts. While overall a mixed picture of change and continuity can be identified, the most salient features of these trends were the increase in fatalities, and more recently the first use of WMD in a major terrorist attack on the Tokyo subway system.

#### 1. Trends in Tactics

Figure 2–1 below shows the development of tactics over the past three decades. Although, as it will later be shown, terrorism has become more lethal, the killings were conducted without the terrorists having to resort to unconventional weaponry.

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<sup>5</sup> Quoted in: The Defense Science Board 1997 Summer Study Task Force, DOD Responses to Transnational Threats: Volume I—Final Report, Office of the Under Secretary of Defense For Acquisition & Technology, Washington DC, October 1997, p.11.



**Figure 2-1.—Per Cent of Total Terrorist Incidents by Tactic and Decade**

*Source:* Bruce Hoffman, "Terrorist Targeting: Tactics, Trends, and Potentialities", *Terrorism and Political Violence*, vol. 5, no. 2, 1993, pp.13; 25.

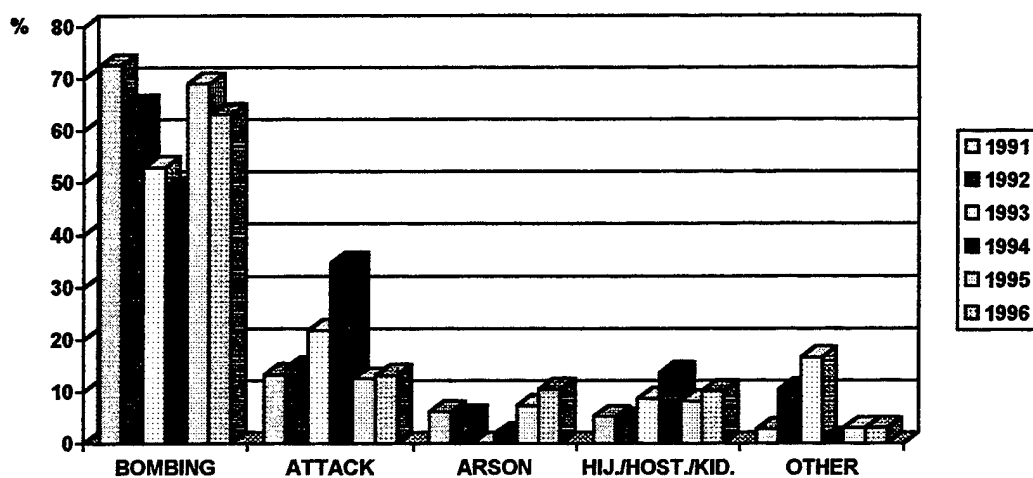
Bombs provide for dramatic effects, and offer 'more bang for the buck'. They are fairly easy to produce, the necessary technology and ingredients are readily available, and the purchase of the ingredients does not arise suspicion and is thus hard to track. In addition, meager skills are required to manufacture a crude bomb, plant it, and be miles away when it explodes. Bombing, therefore, does not require the same organizational expertise, knowledge, back-up options, or logistical support required by more complicated or sophisticated operations such as assassination, kidnapping, hostage-taking or attacks against defended targets. (Hoffman, 1993, 5:2, p.13)

Against this background, it is not surprising to find an inverse relationship between the complexity or expertise required, and the frequency of types of terrorist acts (see Figure 2-1). Accordingly, attacks on installations is the second most common tactic, accounting for approximately 20 percent of all operations, followed by shooting, and hijacking/kidnapping.<sup>6</sup> Barricade and hostage situations, together with significant threats

<sup>6</sup> Including: attacks with hand grenades, bazookas, rocket-propelled grenades; drive-by shootings; arson; vandalism; and sabotage other than bombing.

account for the remaining 'other' incidents. The fact that the percentages remained relatively unchanged over three decades provides evidence that the majority of terrorist organizations have not been tactically innovative. According to Bruce Hoffman, innovation occurred, if at all, mostly in the methods to conceal and detonate explosive devices, but not in tactics, and, at least until the end of this period, not as far the use of unconventional weapons was concerned (Hoffman, 1993, 5:2, p.12). Whether WMD were never used is questionable, since analysts believe that there might have been attacks in which biological, or chemical agents were used, which went undetected for various reasons (Kaplan, 1997, p.31).

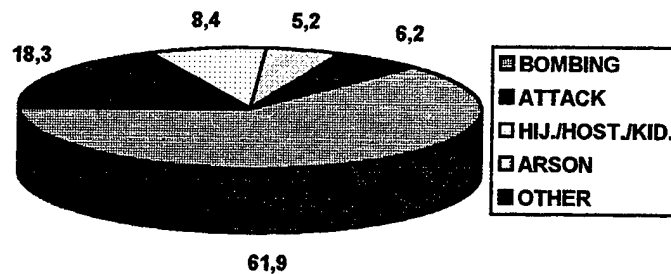
One must ascertain whether the trend detected in the period between 1968 and 1989 can be found in the nineties as well. As Figure 2-2 below shows bombing remained the favorite terrorist tactic throughout the 1990s, accounting for roughly 60 percent of incidents throughout the period, followed, as in the previous decades, by attack, hijacking/hostage/kidnapping, arson, and other terrorist tactics. The different typology of terrorist incidents is the result of the use of a different source of statistics. For the purpose of identifying a trend in terrorist behavior, however, this can be neglected.



**Figure 2-2.—Per Cent of International Terrorist Incidents by Type of Event, 1991-96**

Source: United States Department of State, *Patterns of Global Terrorism*, 1991-1996.

Figure 2-3 below gives an overall picture of the trend in the period 1991-1996 and is based on the same statistical data, showing now, however, the arithmetical mean of the respective percentages.



**Figure 2-3.—Arithmetical Mean of International Terrorist Incidents by Type of Event, 1991-96**

*Source:* United States Department of State, Patterns of Global Terrorism, 1991-1996

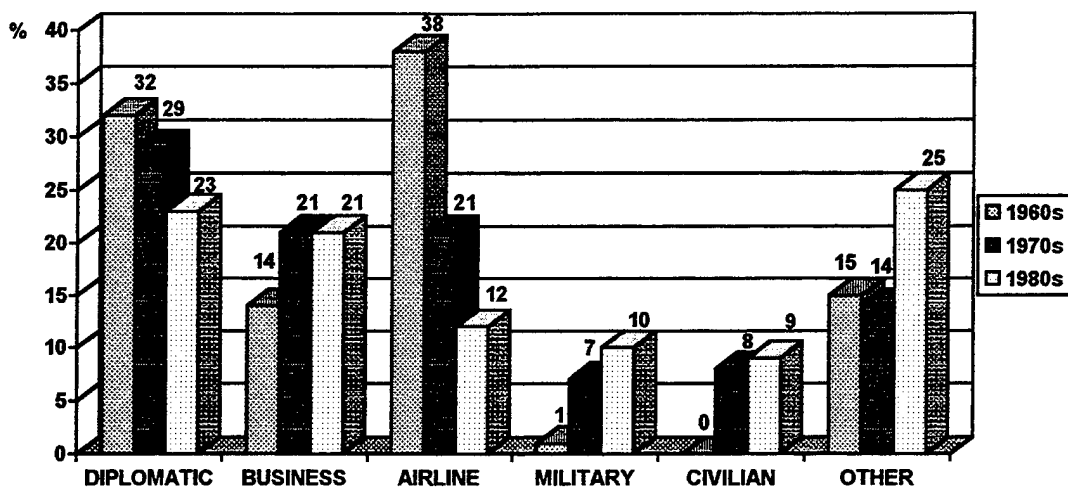
Thus, in the last decade, terrorists continued to rely on the same tactics. Although radical in their demands and politics, they were rather conservative in their actions. The next subsection will look for similar trends in terrorist targeting.

## 2. Trends in Targeting

In their attempt to call attention to terrorist groups and their cause, terrorist attacks in the past tended to be directed against objects rather than people. Since terrorist operations are 'symbolic' in character, they are directed against 'symbols' of the adversary, such as embassies, government agencies, diplomats, businesses, airlines (symbolic by dint of their national identification), and the military (Hoffman, 1993, 5:2, p.14). The latter, more than other organizations and agencies, represents the monopoly of power of the state which itself is questioned and contested by the terrorist.

As Figure 2-4 below shows, diplomatic targets have been the focus of most terrorist attacks throughout the period 1968-1989, followed by business, airline, military and civilian targets. Other incidents include attacks on energy, maritime, transportation,

communication, and other targets, each group in itself, however, being statistically insignificant.

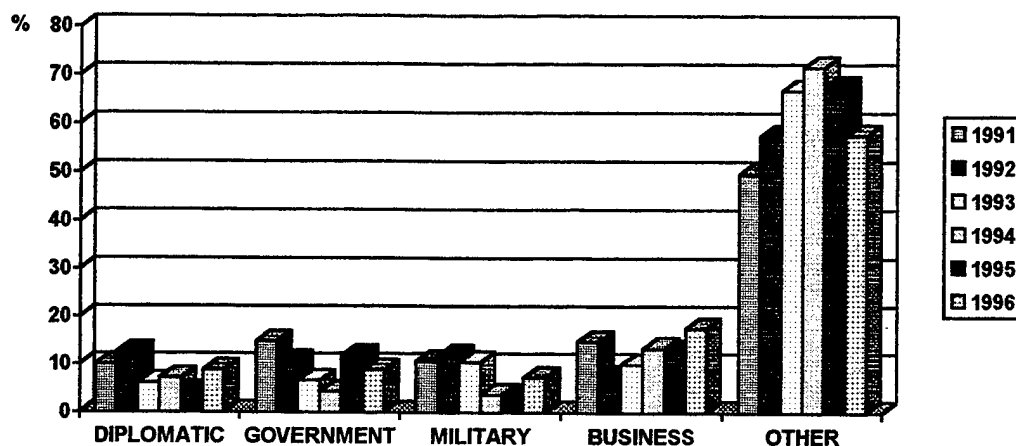


**Figure 2-4.—Per Cent of Total Terrorist Incidents by Target and Decade**

*Source:* Bruce Hoffman, "Terrorist Targeting: Tactics, Trends, and Potentialities", Terrorism and Political Violence, vol. 5, no. 2, 1993, pp.14, 25.

As in the previous subsection, the next step is to check whether the trend detected in the period between 1968 and 1989 can be found in the nineties as well. Figure 2-5 below therefore focuses on developments in recent years. Whereas the statistical data used in Figure 2-4 did not discriminate between targeted facilities and targeted victims, the data used in Figure 2-5 relate to the type of targeted victim alone. Terrorist acts in this period either consciously tended to inflict more casualties, or resulted in a greater amount of collateral damage. This trend towards a more indiscriminate targeting accounts for the relatively high increase in the data set 'Other'. Beside this, as far as discrete targets are concerned, business targets have been the focus of terrorist attacks in the last six years, followed by government, diplomatic and military targets.

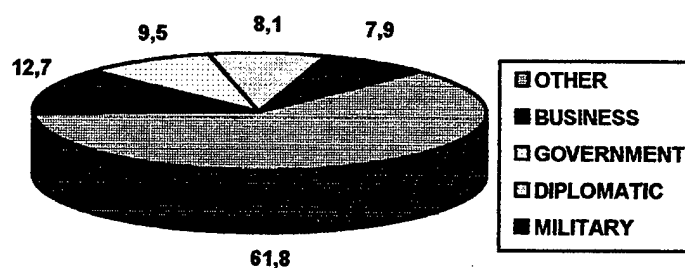




**Figure 2-5.—Per Cent of International Terrorist Incidents by Type of Targeted Victim, 1991–96<sup>7</sup>**

Source: United States Department of State, *Patterns of Global Terrorism*, 1991–1996.

Although the figures indicate a slight change in regard to the trend observed in earlier decades, this has to be seen against the background of the complexity of targeting more protected assets, and the increase in security awareness of these groups, which itself can be regarded as an output of earlier experiences. Figure 2-6 below provides the arithmetical mean over the recent period.



**Figure 2-6.—Arithmetical Mean of International Terrorist Incidents by Type of Targeted Victim, 1991–96**

Source: United States Department of State, *Patterns of Global Terrorism*, 1991–1996.

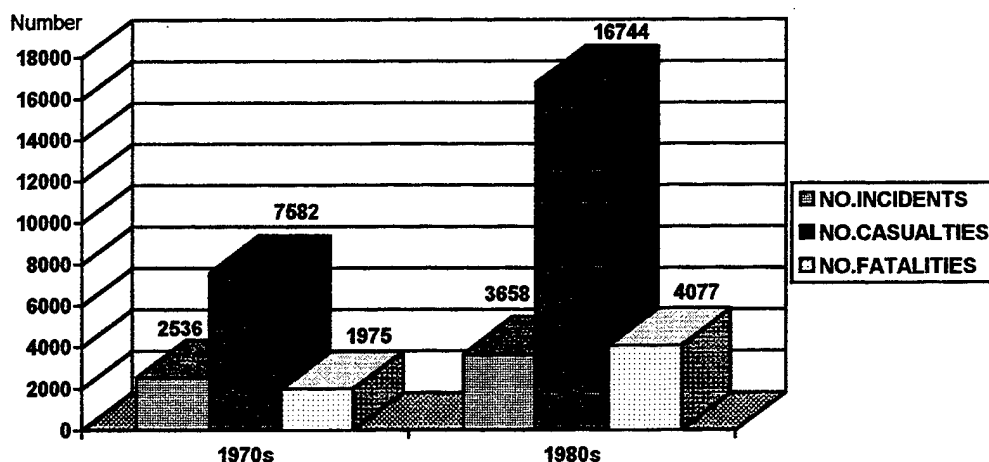
<sup>7</sup> Includes only those incidents where persons were killed or wounded.

While the last two figures were exclusively related to the targeted victims of terrorist acts, showing the percentage of the total number of incidents in the respective time periods, they ignored the lethality of terrorist operations. This aspect will be the subject of the next subsection.

### 3. Trends in Lethality

During the 1980s, only 20 percent of the terrorist incidents resulted in fatalities. However, those operations that did kill, tended to kill more people than before. (Hoffman, 1993, 5:2, p.14)

Reasons to explain this trend are, among others, the already mentioned attraction that is caused by lethality, with the media acting as a multiplier; the improved effectiveness of terrorist organizations; the resurgence of ethnic and religious terrorism; the fact that terrorists themselves are more adept at killing, as societies in toto have become more accustomed to violence and atrocity; and the obvious willingness of terrorists to use, if not WMD, at least weapons causing massive destruction. Figure 2-7 below shows the total number of incidents, casualties, and fatalities caused by International Terrorism in the past two decades.



**Figure 2-7.—Number of Incidents, Casualties & Fatalities of International Terrorism per Decade**

Source: Peter Chalk, *West European Terrorism and Counter-Terrorism*, 1996, pp.173-82.

The data shown in Figure 2-7 indicate an over-proportional increase of casualties and fatalities in the 1980s. Compared to the figures for the 1970s, the number of incidents increased by 44 percent, while the number of casualties and fatalities increased by 121 percent and 106 percent respectively.

As for the 1980s, it seems that, among other factors, state-sponsored terrorism played a significant role in the increase of lethality, being held responsible for the most lethal attacks during this period.

- On October 23, 1983, a large truck, used by state-sponsored terrorists, and laden with the equivalent of over 12,000 pounds of TNT, whose destructive power was enhanced by canisters of flammable gases, crashed through the perimeter of the U.S. contingent of the Multinational Force compound at Beirut International Airport, penetrated the Battalion Landing Team headquarters building and exploded, destroying the building and killing 241 U.S. Marines. The explosion has been described as the 'largest non-nuclear blast ever detonated on the face of the earth'. In another blast, which occurred 20 seconds later, and four miles away, 58 French paratroopers were killed. (Department of Defense, 1996, p.3; Jaber, 1997, p.77)

- On December 22, 1988, Pan Am Flight 103, a Boeing 747 en route from London to New York, exploded in mid air over Lockerbie, Scotland, killing all 259 people on board as well as 11 citizens of the town. This time the time-triggered bomb was remarkably small -less than 300 grams of Semtex, a Czech-manufactured plastic explosive- and hidden inside a Toshiba radio cassette player. (Emerson/Duffy, 1990)

According to Hoffman, "...it is not surprising, therefore, to find that state-sponsored terrorist incidents are, on average, eight times more lethal than those carried out by groups acting on their own." (Hoffman, 1993, 5:2, p.18) In the eighties access to technology and weapons was often only possible through a sponsor. This situation, however, has changed. The opening of the former Warsaw Pact members to free trade after the disintegration of the Soviet Union, together with their need for hard currency, has left the market of weapons and technology saturated, giving access to nearly everything for nearly anybody who is able and willing to pay for it.

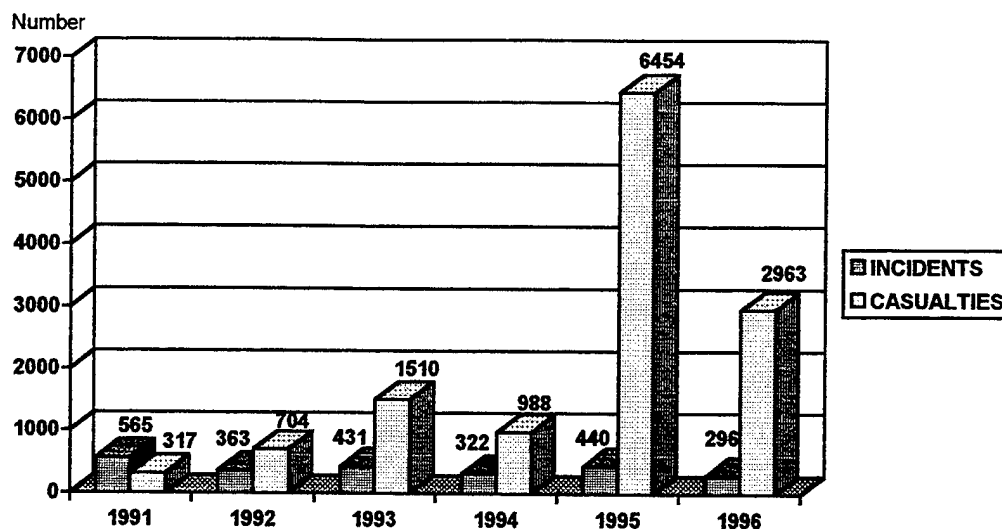
In addition, state-sponsored terrorism has all but disappeared. While terrorists can no longer count on the former sponsor states, some Middle Eastern and North African countries are still providing support. The difference is that these governments, e.g., Tehran and Tripoli, are now less eager to argue that they have a divine right to engage in terrorist operations beyond their borders. This is a long term effect of retaliation and economic boycotts. (Laqueur, 1996, p.26)

On the other hand new sponsors such as Sudan have emerged. Politically isolated and facing a disastrous economic situation, the government in Khartoum, backed by Muslim leaders, believes that it can get away with lending support to terrorists from many nations because nobody wants to become involved in Sudan in the first place. (Laqueur, 1996, p.26)

The trend towards more casualties and lethality observed in the 1980s, however, is rooted in more than one factor. Contemporary terrorist organizations are not only smarter than their predecessors, they also tend to be more ruthless and less idealistic. For some, it seems, "...violence becomes an end in itself –a cathartic release, a self-satisfying blow struck against the hated 'system'– rather than being regarded as the deliberate means to a specific political end embraced by previous generations."(Hoffman, 1993, 5:2, p.16)

A key reason for this increase in lethality is the already mentioned resurgence of religious and ethnic/nationalist motivated terrorism. The activities of Shi'a Islamic groups, for example, reinforce the causal link between religious motivated terrorism and terrorism's growing lethality. According to the RAND Chronology of International Terrorism, these groups have committed only eight percent of all international terrorist incidents between 1982 and 1989, but were responsible for 30 percent of the total number of deaths. (Hoffman, 1993, 5:2, p.17)

Turning now to the more recent situation, Figure 2–8 below shows the relation between the number of incidents and casualties for the last six years.



**Figure 2-8.—Number of Incidents & Casualties of International Terrorism, 1991-96**

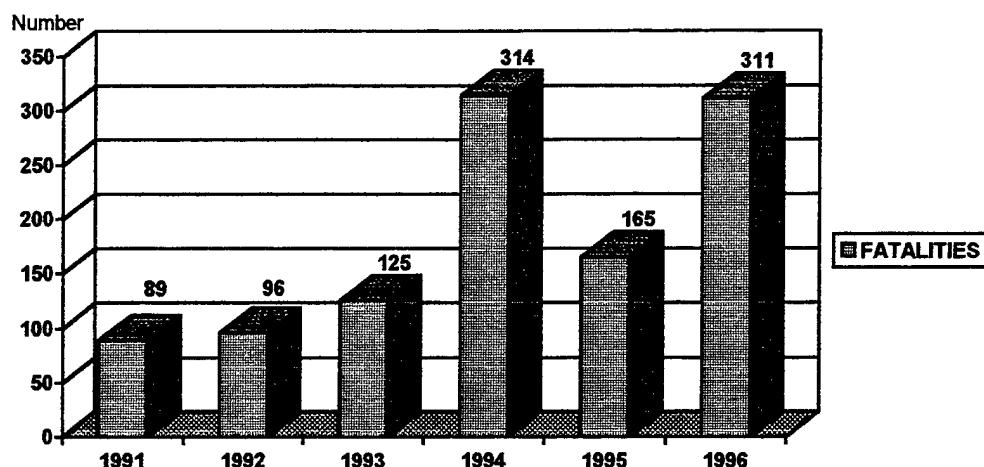
Source: United States Department of State, *Patterns of Global Terrorism*, 1991-1996.

The development of the number of incidents is characterized by a slight up-and-down, with a high in 1991, and a notable decrease in 1996. The figure for 1996 marks a 25-year low. Moreover, about two-thirds of these incidents were minor acts of politically motivated violence against commercial targets. The terrorist campaign waged by the Kurdistan Worker's Party (PKK) in Germany, for example, exclusively matched this target category, and accounted for 25 percent of all terrorist incidents. (U.S. Department of State, 1997, p.1)

At the same time, however, the number of casualties has, with the exception of 1994, followed an upward trend with a significant increase towards the end of the period. The high casualty rate in 1995 was caused by the chemical attack on the Tokyo subway system that killed 12 people, and injured 17 people critically, 37 people severely, and 984 moderately.<sup>8</sup>

<sup>8</sup> Statistics provided to a team of the US Army Medical Research Institute for Chemical Defense that went to Japan shortly after the attack showed a total of 1050 casualties (including the 12 fatalities). Additionally, however, 4,973 people reported to medical facilities within the first 24 hrs, but were not hospitalized (Woodall, p.296).

Since Figure 2-8 focuses on the overall casualties (those injured as well as those killed), Figure 2-9 below shows the number of fatalities caused by International Terrorism during the same period of time.



**Figure 2-9.—Fatalities of International Terrorism, 1991-96**

*Source:* United States Department of State, Patterns of Global Terrorism, 1991-1996.

Overall, the trend follows the same pattern of development, this time, however, with the high in 1994 and again a significant increase in 1996. While in general the number of incidents was decreasing in the nineties, the number of fatalities was increasing, making statistically the single terrorist act more lethal.

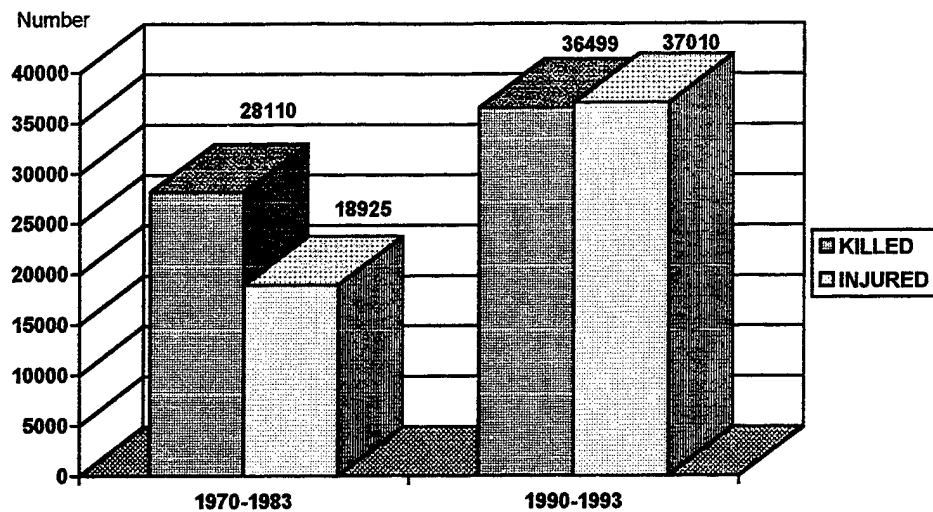
The following international terrorist acts were the most lethal and spectacular during this period:

- On February 26, 1993 a massive explosion left a 100 x 100-foot opening in the underground parking garage of the World Trade Center (WTC), scattered debris throughout an adjacent subway station, and filled all 110 floors of the north tower with smoke. The effects of the blast and the ensuing fire and smoke caused six deaths and 1,000 injuries. The massive explosion was meant to let the north tower topple into the south tower, and thus cause the whole complex to collapse. The terrorists also packed cyanide into the charge, which fortunately evaporated in the explosion. (U.S. Department of State, 1994, p.1; Kaplan, 1997, p.31)
- On July 18, 1994 a suicide bomber detonated a vehicle loaded with explosives in front of a Jewish cultural center in Buenos Aires. The powerful bombing killed

nearly 100 persons, most of them crushed by the collapsing seven-story building, and injured more than 200 others. (U.S. Department of State, 1995, p.11)

- On March 20, 1995 members of the Japanese cult Aum Shinri Kyo placed containers of the deadly chemical nerve agent sarin on five trains of the Tokyo subway system during the morning rush hour, releasing poisonous gas into the trains and subway stations. Apparently the sarin used was diluted, otherwise the numbers of casualties (12 killed, more than 5,000 injured) might have been more dramatic. (U.S. Department of State, 1996, p.1)
- On January 31, 1996 terrorists belonging to the separatist Liberation Tigers of Tamil Eelam (LTTE), a group known for their predilection for lethality, rammed an explosives-laden truck into the Central Bank in downtown Colombo, killing some 90 persons and wounding more than 1,400 others. (U.S. Department of State, 1997, p.5)
- On June 25, 1996 a large fuel truck containing explosives detonated outside the U.S. military's Khobar Towers housing facility near Dhahran, Saudi Arabia, killing 19 American citizens and wounding some 500 persons. (U.S. Department of State, 1997, p.21)

Although this is a selection of the most lethal and spectacular incidents, they are representative of the trend towards increasing lethality that has been identified earlier. In addition, it should be recognized that the numbers and incidents presented in the two previous figures constitute only a part of worldwide terrorism, neglecting the domestic aspect. Thus, in an attempt to complete the picture of the lethality of terrorism and its increase in recent years, Figure 2-10 below shows the dimension of the same data sets (casualties and fatalities), now, however, additionally taking domestic terrorism into account.



**Figure 2-10.—Casualties caused by International & Domestic Terrorism Worldwide**

*Source:* Peter Chalk, *West European Terrorism and Counter-Terrorism*, 1996, pp.173-82.

Comparing both periods, it should be emphasized that the first period encompasses 14 years, whereas the second consists only of four years. While in the first period on annual average 2,008 people were killed, the average for the second period was 9,125 deaths per year, —an increase of 454 percent. The data is both self-explanatory and depressing at the same time.

The trend towards more lethality has further increased in the years after 1993. In Algeria alone for example, the number of people that have been killed since the insurgency began in 1992 is, depending on the source, estimated to range between 45,000 and 75,000.

#### **4. Summary**

While terrorism over the previous decades has become more lethal, it generally seems to follow established patterns of tactics and targeting. For reasons already laid out, bombing remains a favorite terrorist tactic. As for targeting, government, diplomatic and military installations, and their respective personnel, remain favorite discrete terrorist



targets for reasons stated already as well. Additionally, the identified shift towards a more indiscriminate terrorist targeting in the nineties matches and of course supports the trend towards more lethality.

Although, terrorism in the past followed a more or less conventional pattern, the first use of a chemical weapon in a major terrorist attack on the Tokyo subway system marks a turning point in terrorist behavior. With this threshold having been passed, the future use of WMD can no longer be ruled out.

The following sections will develop a perspective of the kind of terrorism that is likely in the future.

## **B. TERRORISM (1998 AND BEYOND)—FACTORS AND TARGETS**

This section discusses the factors of influence and likely targets of future terrorist operations and campaigns. While the analysis does not claim to be complete, it tries to focus on the most important factors and most likely targets.

### **1. Factors of Influence**

As it has been in the past, future terrorist operations will be influenced by a great variety of different factors, which, more often than not, influence each other in a complex way.

The following discussion of influencing factors is based on the assumption that the various terrorist organizations with their different motivations, and pursuing their various aims, already exist. It is meant to take these organizations as a given, and avoids the otherwise mandatory discussion of the factors which led to their appearance in the first place. This insight, however, does not preclude the development of future terrorist types and organizations.

Although it is difficult to develop a hierarchy between the great variety of factors that influence terrorist operations, tactics, and the selection of targets, two factors seem to

be of greater significance than others –the motivation behind, and the objective of the terrorist act. Both factors furthermore are influencing each other in multiple ways.

In the context of motivation, for instance, religious terrorist groups act in different ways from groups that are motivated by socio–revolutionary aims. While the latter are affected by political, moral, or practical constraints, and thus purposefully adjust means to the political end, religious terrorism assumes a transcendental dimension. Religion becomes manipulated to provide a rationale for the use of violence. There is no need to justify the elimination of the infidel, when violence becomes a sacramental act or divine duty. Thus, religious terrorists regard acts of massive deaths, including their own martyrdom as suicide bombers, as both morally justified and expedient for the attainment of their goals.<sup>9</sup> Additionally, while secular terrorists see themselves as a part of the system they want to change or overthrow, hence are naturally not interested in its complete destruction, religious motivated terrorists more often than not regard themselves as outsiders. This sense of alienation enables the ‘holy warrior’ to go for much more lethal and destructive operations and makes the category of enemies an open-ended one. (Hoffman, 1993, pp.17–18)

Turning to the objectives of a terrorist act, we must distinguish between short–term, mid–term and long–term aims, and the respective means to reach them. Is, for instance, terror and atrocity an end in itself, or is the terrorist act intended to achieve a long–term goal? Is the action part of an overall strategy or is it an isolated act? Does the terrorist act itself serve an operational goal or strategic aim, or is it meant to finance the organization?<sup>10</sup> It is easy to imagine that the answer to each of these questions influences other factors as well.

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<sup>9</sup> For an impressive description of this type of terrorist see Jaber, Hezbollah: Born with a vengeance, 1997, pp.1–6.

<sup>10</sup> As an example, as Maria Moyano points out, in Argentina, except for the 1976–79 period, ransom was by far the most prevalent motive for kidnapping operations, a kind of fund-raising campaign, first distributed to the poor in so-called Robin Hood type operations, later used to strengthen and support an organization of increasing complexity and enabling large scale operations against the military (Moyano, 1995, pp.41;59).

Beside motivation and objective, technology constitutes another important factor. The dimensions herein are availability, obtainability, and suitability of the desired technology with regard to the planned operation. Terrorist organizations that are sponsored by foreign governments are likely to have access to the same spectrum of technology that is available to the respective governments. Terrorists sponsored by other non-state organizations or acting on their behalf, are likely to be better funded and equipped than groups that are acting on their own.<sup>11</sup> Given the required amount of money, terrorists, especially after the disintegration of the Warsaw Pact, and the subsequent sale of weapons technology, can obtain nearly every technology available. Although trends of the past point towards a traditional and conservative pattern of terrorist actions, with guns and bombs remaining the main ingredients, recent developments and the rise of new threats, which will be discussed later, indicate a possible change in this aspect (Hoffman, 1994, pp.29–30).

Another factor that cannot be neglected is the target itself, or rather, the various dimensions of the target. As already pointed out, one must distinguish between the target of violence or victim, and the target of influence. The ‘terrorist–victim–target–audience’ relationship is highly complex.<sup>12</sup> As Michael Stohl writes:

An important key to the understanding of terrorism is to recognize that while each of the component parts of the process is important, the emotional impact of the terrorist act and the social effects are more important than the particular action itself. In other words, the targets of the terror are far more important for the process than are the victims of the immediate act. (Stohl, 1990, p.83)

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<sup>11</sup> For example drug cartels normally have remarkable financial and organizational capacities at their disposal; the Russian mafia is believed to have access to nearly every technology, including fissile material.

<sup>12</sup> For instance, in case of the Algerian insurgency that began in 1992, the government, which is illegitimate in the eyes of the terrorists, is the target, the society is both the audience and the victim, as well as the target, because it is expected to participate in the desired overthrow of the government, or should at least contribute to this attempt. Every reaction or repression by the government of course works in favor of the terrorists, because it underlines the ‘true nature’ of the regime which is the reason for the terrorist actions in the first place. –The process begins anew.

All three dimensions, the victim, the target, and the audience are furthermore to be considered in the context of the terrorist act, its objectives, and the respective motivation.

An additional factor that has an important impact on terrorist operations is the organization itself. Complex operations, requiring a complex planning and execution process, demand a more complex, and centralized, organizational structure. Professional organized terrorists can conduct more sophisticated operations, control more resources, and, more often than not, have better connections. Terrorist groups which during their existence have developed a complex organization in turn are likely to continue to operate, even when their objectives have been reached, or are no longer realistic, for the mere purpose of the organization's survival. Thus, the organization replaces the objective of the struggle, and becomes an end in itself.

Finally, but of no less importance, the media have become an important factor in the context of terrorist operations, providing exactly the platform the terrorist seeks, when trying to advertise his cause.<sup>13</sup> In fact, it is a kind of symbiotic relationship that binds terrorism and media together. The nonverbal type of communication that the terrorist resorts to in committing the terrorist act is, with the help of the media, transferred into verbal communication demanding attention by the public. The media find that terrorism has high news value, and provides for good ratings. In terms of ingredients it carries all the conflict and drama that makes it an attractive news for all media, offers visual possibilities for television and photo coverage, and often enough crosses the border into entertainment. The reason behind the media's attention to terrorism is, of course, public interest. (Martin, 1990, pp.158-62)

With the media in the Western world paying special attention to terrorism, and providing adequate coverage, it is not surprising that in 1996 sixty-nine percent of all international terrorist incidents occurred in the western hemisphere.<sup>14</sup> A preference that

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<sup>13</sup> For a detailed study of the relationship between terrorism and the media see: Nacos, Terrorism & the Media, New York, Columbia University Press, 1994.

<sup>14</sup> Data derived from: United States Department of State, Patterns of Global Terrorism, 1996.

can furthermore be explained by the fact that it is easier for terrorists to operate in democracies.

As already mentioned, other factors exist which, depending on the specific situation, have impact on terrorist operations. As the discussion of the selected factors has shown, the complexity of their multiple interrelationships does not allow for an exact prediction of future operations. Nevertheless their knowledge is essential to determine a spectrum of likely future operations.

## **2. Future Targets**

The trends discussed in the previous section have shown that diplomats and their installations, the government, and the military are favored targets. This trend is likely to continue, since those targets embody powerful symbols of the system whose legitimacy the terrorists are questioning.

In the case of diplomatic targets, the fact that two or more nations can be targeted at the same time –the host-nation as well as the accredited nation– make this type of target a most valuable one.<sup>15</sup>

In regard to the military, the point has already been made that more than other organizations and agencies, the military represents the monopoly of power of the state which itself is contested by the terrorist.

Since nation–states can be targeted either directly –being victim and target of the terrorist operation at the same time– or indirectly, through actions that inflict either fear and mistrust in their respective society, or are meant as a part of a bargaining/ blackmailing

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<sup>15</sup> In the course of the seizure of the Japanese Ambassador's residence in Lima, Peru, on December 17, 1996 by terrorists of the Tupac Amaru Revolutionary Movement (MRTA) during a diplomatic reception, more than 500 persons were taken hostage, including Peruvian Ministers, six supreme court justices, eight U.S. officials, and numerous foreign ambassadors -including Germany's. Although the action was primarily directed against the Peruvian Government, demanding the release of convicted MRTA activists, and putting political pressure on Peru, this incident showed how easily a variety of nations and agencies could be targeted, and subsequently blackmailed at the same time. The event was especially embarrassing, since in April 1996, Peru had just hosted the 'Inter-American Specialized Conference on Terrorism'. (U.S. Department of State, 1996, p.12)

strategy, it is likely that, together with the trend towards more lethality, an increase of indiscriminate violence will hit a broader spectrum of victims than in the past. Thus, terrorist violence becomes the concern of whole societies and not merely of sectors thereof.

Finally, it has to be noted that while the volume of worldwide terrorism fluctuates from year to year, U.S. citizens remain favored targets of terrorists throughout the world. As Hoffman discovers: "Since 1968 the United States has annually headed the list of countries whose nationals and property are most frequently attacked by terrorists." (Hoffman, 1993, 5:2, p.24) This phenomenon is attributable as much to the geographical scope and diversity of U.S.'s overseas commercial, political and military interests, as to the United States' stature as the only super-power and the leader of the free world. While international terrorists may perceive it difficult to operate and strike targets within the U.S. itself, there is no need to take these risks, since American interests and citizens abroad make for readily available targets. This opportunity to symbolically strike against U.S. 'expansionism', 'imperialism', and 'economic exploitation' across the globe, together with the unparalleled opportunities for exposure and publicity –thanks to the U.S. media– ensures that the United States' citizens and properties remain likely, and from the terrorist's perspective most attractive targets in the future. Moreover, as the only remaining super-power, the United States is likely to be blamed for more of the world's ills than in the past. Regardless of whether the U.S. intervenes in a given crisis or not, –the terrorist is likely to find a reason for anti-American terrorism anyway. (Hoffman, 1993, p.24)

### **C. NEW THREATS**

This section describes future threats, such as WMD terrorism. Not all the threats analyzed here are new in the sense that they represent tactical innovation. In some cases it is the change in terrorist behavior –proven or assumed–, or the emergence of hitherto

non-existing or neglected terrorist types, that makes them new. These new threats supplement, and do not substitute the traditional threats.

### **1. Weapons of Mass Destruction**

On 20 March 1995, at the height of the morning rush hour, five members of the Aum Shinri Kyo sect, each carrying a nondescript package wrapped in newspaper, boarded cars on three main lines of the Tokyo subway system. The trains were all scheduled to arrive at the Kasumigaseki station, in the heart of the capital's government district, between 8:09 and 8:13 am. Each Aum member placed his package on the floor beneath his seat and, using a sharp-tipped umbrella, proceeded to puncture holes in plastic pouches containing the ingredients of a deadly gas, sarin. As the gas formed and began to spread through the cars and stations at which they stopped, thousands of commuters were overcome. In all, 12 people died and over 5,500 were injured, some permanently scarred. Two of the subway lines were temporarily shut down and 26 stations closed. (Purver, 1997, p.1)

Suddenly Tokyo, the world's safest metropolis felt under siege. It had become a city of fear.

The Tokyo subway attack marked a significant turning point in terrorist operations, and its aftermath sent tremors around the globe. Mass transit systems throughout the world tightened security, and in New York, an airline jet spent ten hours on the runway at John F. Kennedy airport while the FBI checked out a threat that poison gas was aboard the flight. (Kaplan, 1996, p.264)

While the chemical attack on Tokyo's subway system came as no great surprise to many experts in world terrorism, who had been warning for over two decades that terrorist groups might resort to the use or threat of chemical or biological weapons against civilian populations, and while such weapons had been used (or threatened) in isolated, and relatively minor incidents in the past, this attack marked their first use in a large-scale, indiscriminate assault on a major urban area.<sup>16</sup> (Purver, 1997, p.1)

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<sup>16</sup> Among various others: the reported 1975 theft of a large quantity of mustard gas from a US ammunition bunker in West Germany, followed by threats of its use by the Baader-Meinhof Gang; the arrest in Chicago in 1972 of members of a US right-wing group known as the 'Order of the Rising Sun', who possessed 30-40 kg of typhoid bacteria cultures for use against water supplies in Chicago,

The Tokyo attack proved that a determined non-state group, in this case a religious sect, can amass material, know-how, and equipment to develop, threaten and use WMD. While due to problems of production, storage, and delivery, the use of nuclear devices is less likely, chemical and biological agents are much easier to obtain or produce. What fortunately makes the use of chemical weapons much more difficult are problems that are related to their stability as a toxic agent and their dispersal, which depend largely on climatic factors. Aum Shinri Kyo encountered these problems in the attack on the Japanese town of Matsumoto in the summer of 1994, and in the subway attack, when fortunately the sarin used was apparently diluted.<sup>17</sup> (Laqueur, 1996, p.30)

Biological agents are far and away the most dangerous. Where the use of chemical agents may lead to the death of thousands, biological agents could kill hundreds of thousands. They are also easily procured, but storage and delivery are even more difficult than for chemical agents. The risk of contamination is high, and many of the most lethal bacteria and spores do not survive very well outside laboratories. Thus, it would be misleading to extrapolate directly from their individual lethal dose under laboratory conditions to estimate casualties from mass attacks, given the need for effective delivery. Nevertheless, in terms of sheer lethality, biological agents –in theory– offer a ‘bigger bang for the buck’. (Purver, 1997, p.3)

Another scenario would be the use of a ‘human bio-weapon’, a person who is voluntarily infected with, for example small-pox, thus acting as a new form of a human-bomb, seeking martyrdom in the struggle to ‘spread’ a religious belief, or trying to

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and other Midwestern cities; the reported plot of a subgroup of the US ‘Minutemen’ to introduce hydrogen cyanide gas into the air-conditioning system of the United Nations building in New York; the 27 June 1994 sarin attack on the Japanese town of Matsumoto. For a good overview covering the threat or use of biological and chemical weapons in the past see: Ron Purver, “Chemical and Biological Terrorism: New Threat to Public Safety?”, Conflict Studies, no.295, London, Research Institute for the Study of Conflict and Terrorism, 1997.

<sup>17</sup> For a comprehensive research on Aum Shinri Kyo and the Tokyo subway attack see: David Kaplan and Andrew Marshall, The Cult at the End of the World, New York, Crown Publishers, 1996.



implement Armageddon in the attempt to fulfill the apocalyptic vision of a millennialistic sect.

Neither panic, nor a police-state, where everything and everybody is under control, offer a solution to the problem discussed above. Chances are that 99 out of 100 attempts at terrorist superviolence may actually fail. In the case of the Tokyo subway attack 'we' were lucky, but while 'we' have to be lucky at all times, the terrorist has to be lucky only once.<sup>18</sup> A single successful attempt could cause many more casualties, do more material damage, and unleash far greater panic than anything societies have experienced so far. (Laqueur, 1996, p.36)

Weapons of mass destruction, whether they are provided via clandestine support, or improvised and self-produced, offer marginal groups or even individuals the chance to have a major impact on the world stage. Even if it is argued that the same capabilities have been available for a long time, the situation is a different one, since the face of terrorism has changed, and by now available 'means' are met by a respective 'will'.

Thus, scenarios akin to the subway attack can no longer be ruled out, or as Robert Blitzer, head of the FBI's terrorism section warns, "... The consensus of people in the law enforcement and intelligence communities is that it's not a matter of *if* it's going to happen, it's *when*."<sup>19</sup>

## **2. Religious Terrorism**

At about 5.07 a.m., the suicide bomber prepared himself for his journey. Having performed the dawn prayers and drunk a few cups of sweet, strong tea, he went through the details of his attack for the last time with his leaders, received the blessings from a senior cleric and positioned himself in the truck.

He was all set to go and meet his awaited martyrdom. He knew from all the preaching and talks he had received that the instant he died he

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<sup>18</sup> I am paraphrasing an Irish Republican Army statement made in the context of the failed attempt to kill then-Prime Minister Margaret Thatcher at the Conservative Party's annual conference in 1984.

<sup>19</sup> Quoted in Kaplan, 1997, p.28; emphasis in the original.

would be met by Hour al-Ayn, a nymph of unimaginable beauty and serenity. She would tend his wounds, wipe away the blood and escort him to heaven. He would die the most sublime death of martyrdom and paradise was certainly his reward. (Jaber, 1997, p.83)

In his last journey, the holy warrior's destiny was fulfilled, –and caused the death of 241 US Marines.

While 'religion', as a term, more often than not is associated with something being 'good' by nature, religion and terrorism share a long history. Historical examples of terrorism motivated by a religious imperative are the 'Zealots', a millenarian Jewish sect who fought the Roman occupation of what is now the state of Israel between 66–73 AD, or the 'Thugs', an Indian association of professional robbers and murderers who, being active from the seventh until the mid-19<sup>th</sup> century, systematically strangled wayward travelers as sacrificial offerings to Kali, the Hindu goddess of terror and destruction. (Hoffman, 1993, p.1)

In recent decades, however, terrorism has been predominantly politically or ideologically motivated, and thus overshadowed the relationship of terrorism and religion. While in 1968 none of the 13 identifiable, active terrorist groups could be classified as religious, in 1993 at least 20 percent of the approximately 50 active terrorist groups could be described as having a religious motivation. (Hoffman, 1993, p.2)

The basic difference between religious and purely secular motivated terror has been described earlier. The different value systems, the mechanisms of legitimization and justification, and often enough the abuse of religion as a vehicle to define otherwise unrealistic objectives and demand the use of otherwise irrational means, makes religious terrorism far more unpredictable, dangerous, and lethal. Whereas secular terrorists generally do not consider indiscriminate violence as a mean to their ends, religious terrorists regard such violence not only as justified in their response to some theological demand or imperative, but as necessary and expedient to attain their goals. (Hoffman, 1993, pp.2–3)

The other main difference lies in their respective constituencies, or better lack thereof, and their subsequent perception of themselves in regard to their environment. Whereas secular terrorists attempt to appeal their cause to a constituency composed of actual and potential sympathizers, religious terrorists live and act in isolation. Since the religious terrorist does not seek to change an existing system for the better, and thus does not try to preserve any components thereof, but to replace neighboring systems by his own, he is, through this alienation, capable of conducting far more destructive operations than secular terrorists. –Where the secular type sees violence as a means to an end, the religious terrorist tends to view violence as an end in itself. (Hoffman, 1993, p.3)

Although religious terrorism is predominantly connected with Islamic fundamentalism, it has to be recognized that a great variety of groups carry a religious element in their motivation, which is not necessarily of Islamic origin. More recently, they are supplemented by a new generation of millennialist groups, cults and sects, such as Aum Shinri Kyo.

Moreover, the legitimization of violence based on religious precepts, and a preoccupation with the elimination of a broadly defined category of ‘enemies’ are also apparent among radical messianic terrorist movements in Israel, and militant Christian white supremacists in the United States. Particularly alarming in this context is the fact that the white supremacist’s racism, anti-Semitism and sedition is justified and legitimized on theological grounds. (Hoffman, 1993, pp.5–7)

As the millennium approaches, the effects of this symbolic watershed on religion inspired terrorist groups is hard to predict. Will they try to hasten the redemption associated with the millennium through acts of increasing violence, or, if that redemption does not occur in the year 2000, seek to correct this unfortunate development by the use of WMD? (Hoffman, 1993, pp.13–14)

### 3. Cyber - Terrorism

Armed Forces throughout the world have identified the importance of a new kind of battlefield, Information Warfare. The basic assumption is that the one who controls this battlefield retains the initiative on other battlefields as well.

Advanced societies of today are to a great extent dependent on the electronic storage, retrieval, analysis, and transmission of information. The amount of data used in this process increases daily. Their importance in the day-to-day life of these societies makes them a vital area in terms of security concerns. Defense, banking, power supply, law enforcement agencies, intelligence agencies, trade, transportation, air traffic control, and a large percentage of government's and private's sector's transactions are on-line. This in turn exposes amounts of vital, and often enough confidential data to mischief or sabotage by any computer hacker.<sup>20</sup> (Laqueur, 1996, p.35)

In a seminar, held by the Congressional Research Service, Michael Jakub, Director of Special Projects in the Office of the Coordinator for Counterterrorism in the U.S. Department of State, stressed this aspect of future threat. The possibilities of disruption of info-systems through viruses or electronic sabotage, the ability of groups—especially mafia-type and terrorist groups—to obtain funds through electronic penetration and manipulation of financial systems, as well as the penetration of info-systems in an attempt to get information on people and possible targets, opens up the dimension of information warfare to terrorism as well. (Congressional Research Service, 1995, p.5)

According to a testimony from Arnaud de Borchgrave, Director CSIS, before the House of Representatives, Committee on International Relations, the ASSIST Center of

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<sup>20</sup> In March 1998 the FBI raided the home of a suspected teenage computer hacker with the online name 'Makaveli'. In a follow-up interview, the teenager boasted that he had hacked more than 200 government and private websites, including Army, Air Force, and Pentagon sites, as well as the Lawrence Livermore National Laboratories. Additionally he claimed that his 'cyber-pals' will start to hack in retaliation for his treatment by the government. 'Makaveli', however, was only the 'student' of Ehud Tenenbaum, an Israeli teenager and master hacker code-named 'Analyzer', who orchestrated the penetration of military and university research computers. In a statement, Deputy Defense Secretary John Hamre spoke of "...the most organized and systematic attack the Pentagon has seen to date." (The Monterey County Herald, March 5-9, April 8, 1998).

the Defense Information Systems Agency (DISA) was tasked to attempt to penetrate the Pentagon's worldwide operations, in order to test the security and vulnerability of DOD's communications systems. For these mock attacks DISA did not use sophisticated tools and techniques, but rather software available to anyone on the Internet, such as SATAN and ROOTKIT. Initially, they were able to gain full user privileges of three percent of the computers through the frontdoor. Then, by exploiting the relationships of trust of the three percent, ASSIST was able to penetrate 88 percent of all targeted systems. 96 percent of those attacks went undetected. Of the 4 percent who did realize they had been successfully hacked, only 5 percent reported the incident to their superiors. The numbers of real attacks are rising. Whereas CERT (the DOD-funded Computer Emergency Response Team in Pittsburgh) handled 191 incidents throughout all of 1991, it was averaging 300 plus per month in 1995. (U.S. Congress, Hearing, January 31, 1996, pp.59-60)

The coming wave of cyber-terrorism is likely to present a significant challenge. This new, highly educated terrorist does not think in terms of truckloads of explosives, briefcases of sarin gas, or dynamite strapped on the bodies of fanatics. As de Borchgrave puts it, tomorrow's high-tech terrorists will target the place where modern, industrialized societies in the age of information highways are most vulnerable—at "...the point at which the "physical" and the "virtual" worlds converge, the place where we live and function and the place in which computer programs function and data moves." (U.S. Congress, Hearing on October 1, 1997, p.85)

To wage cyber-war against states or societies, however, provides an option that is more likely to be chosen by criminal terrorists, organized crime, spies, and foreign governments, and misuse is more likely than destruction.<sup>21</sup> Nevertheless, the harm that can be achieved by means of information terrorism could be as destructive to the fabric of a society as the use of other, more lethal weapons. (Laqueur, 1996, p.35)

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<sup>21</sup> Criminal terrorists are terrorists, who are systematically using terror for ends of material gain (Hanle, 1989, p.125).

#### 4. Unabomber - The Lone Terrorist

While the term 'Unabomber' is mainly associated with Ted Kaczynski, it stands for a whole new generation of terrorists, who are far more difficult to detect and to target, and offer a broader and more dangerous potential than 'traditional' terrorist organizations.

Whether they are called 'boutique' terrorists, 'wandering Mujahaddin', or 'Unabombers', they usually do not appear in the preemptive search pattern of law enforcement agencies.<sup>22</sup> When they go active, the problem is how to link an act that nobody has anticipated to an individual or small group that nobody knows.

For example, in both cases, the WTC and the Oklahoma City bombing, the arrest of the assassins was coincidental, –a result of mere luck.<sup>23</sup> In the case of Unabomber Ted Kaczynski, the law enforcement agencies would perhaps still be investigating, if not for Kaczynski's brother, who turned him in.

The ideologies of such individuals or mini-groups are likely to be even more aberrant than those of larger groups. They are not bound by constraints that may hold back larger groups to inflict mass casualties, and they may become motivated by 'fictitious' novels such as *The Turner Diaries*. In addition, they possess the technical competence to steal, buy or produce the weapons they deem suitable for their terrorist purpose. Thus, the

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<sup>22</sup> 'Boutique' terrorists are individuals who do not work for any particular established terrorist organization, and are apparently not agents of any state sponsor (Description used by Raphael Perl, Specialist in International Terrorism Policy; Congressional Research Service, 1995, p.1).

'Wandering Mujahaddin' are Islamic extremists from a variety of countries who happen to get together and decide to commit a terrorist act; not belonging to any known group or organization, although perhaps being sympathizers (Description used by Gail Solin, Branch Chief, Counterterrorist Center, CIA; Congressional Research Service, 1995, p.9).

<sup>23</sup> Salameh, the first person arrested in the WTC bombing, not only rented the yellow van that carried the explosives by using his own name, but compounded this error by reporting the vehicle stolen after the bombing. He was taken into custody when he appeared at the rental office (Simon, *The Terrorist Trap*, 1994, p.18).

Less than one and a half hour after the bombing, Timothy McVeigh was pulled over on Interstate 35 by an Oklahoma state trooper for driving a car with no license plate. Since McVeigh was carrying a concealed weapon at this time, the state trooper became suspicious and arrested him. (Dees, *Gathering Storm*, 1997, pp.151–60).

decision-making process to use WMD in a terrorist act is reduced to the ethical and moral constraints of an individual.

#### **D. CONCLUSION**

As the statistical analysis in the first part of this chapter has shown, terrorists of the past followed identifiable patterns in the choice of tactics and targets. Bombs and guns were the favorite tools of traditional terrorist groups, with an emphasis on bombing. The reason being obvious, since bombing, while requiring only a limited input, provides for a good output. More recently, bombing seems to be used as a form of indiscriminate violence, becoming increasingly lethal. It is a distant type of terrorism, with no need for terrorists to engage in any kind of personal interaction with their victims. A trend that can be seen as a kind of mirror image of our societies which are becoming more anonymous every day.

While the total number of incidents in International Terrorism has declined, the number of casualties has risen. Terrorists have become more adapted to violence, as have societies in toto. When youths have grown up with violence as a normal and natural part of their lives, and are well-trained in the science of killing, thanks to their experience in street gangs, they may very well have higher thresholds for the number of casualties or level of violence they are willing to inflict upon their targets.

As for targeting, diplomatic, government, and military targets are favorite discrete targets, while the trend towards more lethality is supported by a shift to a more indiscriminate targeting throughout affected societies. While the discrete targets are likely to remain the same, contemporary terrorism affects a broader spectrum of the population than terrorism did in the past.

Factors that have influenced terrorism are most complex in their structure and influence each other in multiple dimensions. Thus, an exact prediction of future terrorist activities, and the development of a successful preemptive strategy remains a most challenging, if not impossible task.

Since politically motivated terrorism is in decline, and religious motivated terrorism, including the varieties of groups which respond to a religious imperative in their actions, is on the rise, the self-imposed constraints of the past are harder to recognize. Thus, terrorism in the future is likely to be very different from terrorism in the past.

This effect is reinforced by an increasing number of cults, sects and groups that view the millennium in apocalyptic terms and feel themselves committed to hasten Armageddon. In this context, the Tokyo subway attack of Aum Shinri Kyo has changed the face of terrorism forever. The use of WMD by non-state groups or organizations can no longer be ruled out. Terrorists, organized crime, fanatical single issue groups, and even individuals are able to muster know-how and resources that were once limited to world and regional powers. And as the subway attack in Tokyo has shown, for the first time available means are met by the respective will to use them. While guns and bombs are tried and true, WMD seem to fit perfectly into the recent trends towards more lethality.

The appearance of new types of terrorists –as the Unabomber–, or more or less loose ad-hoc connections between ruthless individuals which are following no recognizable organizational pattern, makes targeting and preemptive measures for law enforcement agencies even more difficult. In fact, the most spectacular attacks on American soil –the WTC and the Oklahoma City bombing– have been executed by these terrorists from the margins.

In addition, the old-fashioned type of terrorist has adapted, grown, and learned. Technology has proven to be a double-edged sword. New technologies that are coming on-line not only are of benefit for government and business organizations, but for terrorist and criminals as well. Moreover, the information systems used by advanced societies and their vulnerabilities offer a new battlefield to be exploited by terrorists and organized crime.

In consequence, nowadays' societies have to face the traditional terrorist together with the new breed described above, as they have to face old, traditional technologies



together with the whole spectrum of WMD. Thus, one could argue, terrorism has not changed, –it has diversified.

In a next step, the attention will now be drawn to the second pillar of non–state threat—Organized Crime.

### III. ORGANIZED CRIME –THE RUSSIAN MAFIA–

*“Today, Russia is the biggest mafia state in the world...the superpower of crime that is devouring the state from top to bottom”*

President Boris Yeltsin, 1994<sup>24</sup>

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Without intending to create a single devil’s theory of cause, this chapter will focus on the rise of Russian organized crime, and its increasingly transnational dimension.

Any serious attempt to approach the phenomenon of Russian organized crime must necessarily first focus on its history. In a second section, this chapter analyzes economic and political aspects of organized crime in Russia. A third section introduces the major mafia gangs and the activities of Russian organized crime throughout Europe and the United States. Finally, the chapter addresses the problem of nuclear trafficking.

#### A. A BRIEF HISTORY OF RUSSIAN ORGANIZED CRIME<sup>25</sup>

Although recent years brought a major increase in organized crime in Russia, criminal organizations are not an entirely new phenomenon. Already in the Soviet Union, the “...centrally planned economies created scarcities that amounted to nationwide shortages of virtually any item consumers wanted. Organized crime groups...exploited these shortages in the past and continue to do so.” (Williams, 1996, p.14)

Focusing on the evolution of Russian organized crime through time, Patricia Rawlinson states “...that it has been the *response* of the legitimate structures towards the presence of organized crime which, up to a crucial point, has determined the latter’s

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<sup>24</sup> Quoted in: U.S. Congress, Hearing Before the Committee on International Relations, 105<sup>th</sup> Congress, 1<sup>st</sup> Session, October 1, 1997, p. 81.

<sup>25</sup> In this subsection, I primarily draw on Patricia Rawlinson’s “Russian Organized Crime: A brief History” and her model of the ‘Chameleon Syndrome’ that forms part of her thesis entitled ‘Hunting the Chameleon: The Problems of Identifying Russian Organized Crime’ (Rawlinson, 1997, pp.28-52). The model is very suitable as an explanation of the amalgamation between governmental and criminal structures in Russia. Rawlinson herself seems to draw on Stephen Handelman’s Comrade Criminal.

development.” (Rawlinson, 1997, p.29, emphasis in the original) Her argument is that organized crime needs to interact with the legitimate structures of its host–state in order to expand its activities. Thus, the study of the history of organized crime in Russia has to focus on the changing nature of the interaction between the legitimate and the illegitimate structures. Through these interactions, organized crime eventually is able to merge with the Russian state and begins to play a proactive role. Rawlinson calls her model the ‘Chameleon Syndrome’.

### 1. The Chameleon Syndrome in Theory

Rawlinson’s model recognizes four stages of development in the relationship between legitimate structures and organized crime in Russia.<sup>26</sup> In the first or *reactive* stage, organized crime operates outside of, or contiguous to the legitimate structures. The host–system is politically and economically stable and thus has little need to compromise or negotiate. Organized criminal groups are at a primitive stage. Politically motivated banditry and youth gangs fall into this category. The second stage, *passive assimilative*, marks the first phase of negotiation or compromise. The host–system has weakened, particularly in the economic sector. Since economic failure often means political failure, the host–system seeks to acquire from illegal sources that which cannot be gained legitimately. If not actively engaged with the suppliers, it at least turns a blind eye to those who are. Consequently a shadow economy with low level bribery and corruption develops. In the third stage, *active assimilative*, organized crime penetrates the legitimate structures to the point that it gains the opportunity to act partially autonomously. The transition from passive to active assimilative is fluent and most threatening to the host–system, as it is beyond this point that it begins to loose control of the negotiating process. Organized crime now has the ability to influence the legitimate system. Money laundering, high levels of bribery, and the beginning of an active presence in the legitimate economy are the salient elements of organized criminal activities in this phase. Finally, the *proactive* stage

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<sup>26</sup> ‘Legitimate structures’ refers to the political, economic and criminal justice system (Rawlinson, fn 4).

indicates that organized crime has become the major power-holder. It has penetrated all structures of power, and no longer needs to negotiate with the host-system. The complete process does not necessarily indicate a natural progression for every organized crime group. Some groups never develop beyond the reactive stage, while others find immediate entry into the active assimilative phase. The very existence of each of these stages depends ultimately on the condition of the legitimate structures. (Rawlinson, 1997, pp.31-32)

Table 3-1 below shows the different stages in Rawlinson's model.

**Table 3-1.—The Chameleon Syndrome**

<b>Organized Crime</b>	<b>Stage of Development</b>	<b>Legitimate Structures</b>
Bandits, teenage groups No desire or ability to negotiate and break into the legitimate structures	<b>REACTIVE</b>	Usually strong. Political and economic stability. No need to negotiate
Integration into legitimate structures, usually as informant or low level bribery. Restricted level of money laundering	<b>PASSIVE ASSIMILATIVE</b>	Subtle weakening of structures, e.g., economic slump, law enforcement not in full control. Prepared to negotiate on prescribed terms
Integration now more controlled. Bribery moves into higher level of legit structures. Money laundering widespread  Active and significant participation in legit economy	<b>ACTIVE ASSIMILATIVE</b>	Political and economic structures significantly weakened. Power vacuums. Grey areas between legit and illegit increase. Negotiation strength on par with organized crime.
Significant control of legit structures, particularly economic and law enforcement. Manipulation in politics.	<b>PROACTIVE</b>	Anomie Acquiescence replaces negotiation

*Source:* Patricia Rawlinson, "Russian Organized Crime: A Brief History", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, p.31.

## **2. The Chameleon Syndrome and Russian Reality**

Looking at the course of Russian history, one factor stands out persistently –the principle of autocracy. Even the revolution of 1917, in the end, only replaced one form of autocracy by another.

### ***a. From Tsarist to Soviet Russia***

While most Western European states at the beginning of the 19<sup>th</sup> century were making tentative moves towards democracy, Russia remained fixed in a feudal system where the Tsar's authority was absolute. Even early attempts at revolt, such as the Decembrist revolt of 1825, only led to an increase in the autocratic abuse of power. The response to the Tsar's intransigence finally was an escalation of revolutionary activity that culminated in the assassination of Alexander II in 1881 and the revolutions of 1905 and 1917. (Rawlinson, 1997, p.33)

Law in the Tsarist period operated as an instrument of the strong and provided little or no protection to the vulnerable. Thus, often deviance became a means of survival for the peasant. And what was artifice to the peasantry was practiced as corruption in the bureaucracy. Furthermore, in a system where promotion was based more on appeasement than merit, the practice of 'window dressing', for example the Potemkin village, became a key to success. Thus, truth and falsehood, the legal and the illegal became more and more separated only by fluent and indistinct borders. (Rawlinson, 1997, pp.33–34)

In the 1880s and 1890s Russia experienced an industrial boom that brought it into fourth place in world production of minerals and raw materials. High tariffs, however, discouraged Russian businesses from adopting the advanced economic practices of their Western counterparts. Furthermore, the industrial boom was supported by foreign investment, including German banks and industrialists. Against this background, Russia's decision to enter the first World War brought the country near to economic collapse. (Rawlinson, 1997, p.34)

When Lenin and the Bolsheviks took over, their heritage included the vestiges of an autocracy which pervaded all legitimate structures, the social chaos which accompanies most revolutions, and a disastrous economic situation. Furthermore, Bolsheviks were products of Tsarist Russia, their thinking and conduct inescapably shaped by the system they sought to destroy. Only months after Lenin's take-over, the Cheka, more brutal than its Tsarist counterparts, and predecessor of the KGB, was established. The legislature too also became abused and manipulated to an extent never experienced before. (Rawlinson, 1997, pp.34-35)

With the claims to legitimacy of the new ruling elite lying in economic performance, economic failure became equivalent to political failure. Under these circumstances, as Rawlinson points out,

it was almost inevitable, given the weak infrastructure, that sooner or later the new government would have to compromise its ideological stance without having to admit failure or a permanent deviation from the stated goals. What began as temporary means of alleviating shortages, a negotiation with structures outside the dominant economic system, that is, with the penumbral world of the second and shadow economies, became an eventual cause of those shortages and the nemesis of a system it was supposed to support, thus paving the way for the burgeoning of organized crime from the late 1970s. (Rawlinson, 1997, p.35)

#### *b. Communists and Criminals*

In the early stage of their revolutionary struggle, the Bolsheviks made a point of recruiting criminals to their cause. The latter's skills –called 'expropriations' but meaning bank robberies and kidnapping tsarist officials for ransom– added substantially to the Bolshevik war chest. Even Joseph Stalin, the future 'Great Father' of the Soviet State, was implicated in several heists, including a bank robbery in Tbilisi, the capital of Georgia. Furthermore, the gang's harsh discipline and secrecy came to characterize the Bolshevik cells and, eventually, the Communist Party itself. Although the *vorovskoi mir*, the Thieves Society, as the weaker force, appeared to borrow much of its rhetoric and organizational tactics from the Party, the evolution of the Communist leadership resembled in turn

nothing so much as the growth of a large criminal syndicate. That was perhaps the very reason why the Party came to see the *vorovskoi mir* as one of the greater threats to its own authority. In fact, the gang leaders proved as resolute in their resistance to Soviet commissars as they had been to the tsarist police. (Handelman, 1995, pp.35–36)

This non-political rejection of the dominant system eventually gave birth to a shadow-society based on norms and codes strictly adhered to by its members and severely punished if betrayed. When these codes of behavior were formalized at the beginning of the 1930s, the leading figures of the new criminal underworld became known as *vory v zakone*, or 'thieves-in-law'. Among the numerous rules was the total rejection of the socialist system and the Soviet society, giving them an almost heroic status in the eyes of many ordinary Russians. Thieves' solidarity in a life outside the host-system was worth more than money, and this honor code remained unchanged until the Great Patriotic War (1941–45) when a bloody split occurred in the criminal underworld. (Rawlinson, 1997, p.38)

In these early days, by their very nature, the *vorovskoi mir* and *vory v zakone* remained reactive, as were the legitimate structures in their response. In such a situation compromise is seldom sought, since costs for both sides are too great, meaning either a loss of ideals or status. While the 'rebels' offer no direct advantage to the legitimate structures, the latter respond at best with reluctant tolerance if the effort to pursue the offenders is not commensurate with the gains achieved by doing so. (Rawlinson, 1997, p.38)

After the German invasion of Russia in June 1941, thousands of Russian gangsters joined their fellow countrymen in the army and ammunition plants. Patriotism seemed to outweigh the traditional *vory* ban on association with the legitimate structures. Their leaders, the *vory v zakone*, however, considered this behavior as a betrayal of the gang code of honor. Thus, when the gangsters returned from the front, they were met with contempt, and were labeled with the same slang word applied to turncoats and informers in prison: *suki*, meaning 'bitches'. In prison, the turncoats were viewed as traitors. Thus,

in the so called 'war of bitches' hundreds of convicts were killed in the gulag. As a result, Soviet authorities falsely announced in the mid-1950s that the *vorovskoi mir* was finished. Since crime had been extinguished in the Soviet Union, police was no longer supposed to chase professional criminals. What really had happened, was that the *vory* had gone further underground. The 'bitches' who survived broke their ties with the old *vorovskoi mir* when they left prison. Having been punished for violating one tenet of the code already, they no longer felt obliged to adhere to its other commandments, especially the prohibitions against going into business. Thus, the *suki* became the financiers of the black market. (Handelman, 1995, pp.35-36)

The essential aim behind any kind of negotiation is that the legitimate structures remain in control of the process. If a society is weak, however, if corruption is extensive, if the line between legal and illegal becomes blurred, oblique forms of compromise are going to be more common. The danger in this process lies in the probability that the legitimate structures may gradually lose control of the negotiations which become increasingly commonplace. (Rawlinson, 1997, p.38)

In the postwar years an increase in banditry, serious crimes and treason took place. The 'war of bitches' had left a vacuum previously inhabited by traditional criminals. This vacuum was now filled by the newly convicted, who soon established their own rules based more on self-interest than idealism. By the beginning of the 1960s the reign of the traditional *vory v zakone* was practically over. With the gulf between legitimate and illegitimate increasingly disappearing, the politically powerful and the criminal elite were entering the same arena. The assimilative phase had begun. (Rawlinson, 1997, p.40)

Even prior to Joseph Stalin's death in 1953, it became evident that Soviet industry was running into difficulties. Centralized planning, the cornerstone of Soviet socialism, was malfunctioning. A whole new vocabulary emerged to describe the efforts which were deemed necessary to overcome this kind of 'friction': *blat*, having the right connections; *ochkovtiratel'stvo*, 'pulling the wool over someone's eyes'; *krugovaya*



*poruka*, mutual support between officials in such activities as fiddling accounts, pocketing pay-offs or illegally gained 'extras'. Even new professions emerged, such as the *tolkach* or fixer, a dealer who would negotiate the exchange of necessary supplies which would enable firms to meet their official quotas. With demand continuously outweighing supply, the population, however, turned to another source: the growing black market.<sup>27</sup> With the legitimate market failing to produce the demanded goods and services, and in order to pre-empt any potential disorder arising from shortages, the once dominant system became increasingly dependent on the black market. A total symbiosis between the legal sector and the shadow economy became unstoppable. In return for their services, the 'tycoons' of the black market received *krysha* (protection) from their official patrons, members of the Party structure. Thus, a new breed of criminal emerged with a new breed of Party official, both having in common that former idealism and ideological goals were replaced by profit, and by power and prestige respectively. The most salient feature of this process was the formation of a direct alliance between organized crime as supplier of commodities and services to the political elite and the patronage offered in return. Together both groups formed an invincible alliance, and had now only to wait for Gorbachev's reforms which would help them to take over the country. (Rawlinson, 1997, pp.42-43)

By the late 1980s the most successful dealers of the black market had risen to *tsekhoviki*, owners of underground factories, which were the only efficient suppliers for the growing demand for otherwise unobtainable goods. As these new entrepreneurs began to amass their fortunes, they became targets for criminal gangs, the less sophisticated illegal groups. The latter started to demand money from the illegal entrepreneurs, either by direct physical threats or through kidnapping of relatives. Even with the patronage of the legitimate structures, there was little the *tsekhoviki* could do. A new-style criminal boss was born, the *avtoritet* (authority), who was in turn allowed to invest into business, and even to take a seat on the 'board of directors'. By association, Party members,

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<sup>27</sup> By 1990 official estimates admitted that 50 percent of Soviet citizens purchased a variety of goods from the black market. In fact normal life was impossible without black market goods and services.

government employees and law enforcement workers became involved and profited from the new alliance. As long as the Communist Party remained the sole source of authority, control rested with the legitimate structures. With the erosion of state-authoritarianism and greater emphasis on market-style economics, this relationship became unbalanced in favor of the illegitimate structures. The final shift from passive to active assimilative occurred as a result of Gorbachev's reforms. (Rawlinson, 1997, pp.43-45)

While the most powerful Russian organized crime groups were already in place when Gorbachev took over in 1985, the subsequent reforms, particularly the Law on State Enterprises (1987) offered endless opportunities for their expansion. With foreign partners entering the former contained market, money laundering, through joint associations, became practically 'legal'. The first private banks in Moscow thus were opened by representatives of the illegitimate structure. Business became powerful enough to run its own affairs, independent of the state, and able to compete with it. The balance of power had shifted in favor of organized criminal organizations. They had become active assimilated into the legitimate structures. (Rawlinson, 1997, p.47)

The active assimilative stage still involves a symbiosis between the legitimate and illegitimate structures. At this point, however, the boundaries between legitimate and illegitimate become indiscernible. After the abrogation of Article 6 of the Soviet Constitution in 1990, which abolished the political monopoly of the Communist Party, economic power became paramount. Evolving power vacuums were filled by those with access to wealth. In an attempt to preserve their personal influence, there was a scramble by former members of the political elite to invest in the economic sector. Former compromise became a fully active partnership on equal terms with criminal groups. Patronage became the province of the economic lords. The proactive stage had been reached. (Rawlinson, 1997, p.49)

Table 3-2 below provides a complete overview of the evolution of the relationship between legitimate structures and organized crime in Russia.

**Table 3-2.—The Relationship Between Legitimate Structures  
and Organized Crime in Russia**

<b>Organized Crime</b>	<b>Stage of Development</b>	<b>Legitimate Structures</b>
Bandits, <i>Vory v zakone</i> (I) (less sophisticated gangs, teenage groups)	<b>REACTIVE</b>	Tsarist autocracy Soviet totalitarianism
War of bitches (1940s) <i>Vory v zakone</i> (II) Black market , <i>tsekhoviki</i> early 1970s	<b>PASSIVE ASSIMILATIVE</b>	Soviet totalitarianism Quasi-totalitarianism
Growth of shadow economy <i>Tsekhoviki</i> increase economic base	<b>ACTIVE ASSIMILATIVE</b>	Nepotism and mass corruption in Central-Asian republics (late 1970s) Slowing down of economic growth
Mass money laundering into new economic ventures co-operatives, joint ventures		<i>Perestroika</i> Democratization
Active role in privatization Foreign business contracts Political figures bought Media manipulation Infiltration into banking	<b>PROACTIVE</b>	End of Gorbachev era 1991 August coup Yeltsin and 'new' Russia

*Source:* Patricia Rawlinson, "Russian Organized Crime: A Brief History", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, p.30.

And the chameleon could stop to change its colors —it was now determining its surroundings.

### **3. Summary**

We told ourselves that Russians, given a genuine choice, would grab democracy with eager hands. And we were convinced that capitalism and a free-market economy would provide the motor for Russia's transformation. (Handelman, 1995, p.6)

As the discussion in the previous subsection has shown, the history of Russian organized crime has been a history of responses by the legitimate structures to the presence of the former. From today's perspective, and with the advantage of hindsight, this evolution even seems inevitable. In Russia's case, the weakness of the legitimate structures which evolved under authoritarianism accounted for the readiness to negotiate with entities outside of the dominant system until economic inefficiencies led to the decline of the Soviet regime, and organized crime became proactive. (Rawlinson, 1997, pp.50–51)

## **B. POLITICAL AND ECONOMIC ASPECTS**

The principle of autocracy can be recognized as a dominant factor in the course of Russian history. Against this background, the collapse of the socialist system in Eastern Europe and the Soviet Union was hailed as the end of authoritarianism. With the Communist autocracy declining, western analysts concluded that citizens could no longer be denied access to information, be restricted in their mobility, or compelled to obey. The subsequent evolution of a democratic system, similar to Western models, seemed inevitable. Centralized power structures and connections, however, never were broken up completely. Together with the already mentioned association between former party nomenclature and economic *avtoritet*, diminishing state-autocracy thus did not necessarily mean the disappearance of authoritarianism. The fact that any significant social changes which break down an established mode of life require a transformation of the previously acquired value systems, was, at least initially, neglected. (Voronin, 1997, p.55)

### **1. Organized Crime – A Form of Post-Soviet Authoritarianism<sup>28</sup>**

In Russia today, it is the same terror system of the old days, just with different people...My grandfather was a general who was discredited and killed by Stalin in 1937, so I know. Now it's not the communists, it's the

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<sup>28</sup> The argument in this section follows Prof. Louise Shelley's statement made in a testimony before the House International Relations Committee on Post-Soviet Organized Crime, April 30, 1996; it is also laid out in her article "Post-Soviet Organized Crime: A New Form of Authoritarianism" in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.122–38.

mafia, but everyone in Russia is extremely afraid of them, and they have all the power. They don't even have to say they will kill you. You just know it.<sup>29</sup> (Shelley, 1997, p.122)

While traditional Soviet authoritarianism, excluding clandestine KGB operations, was confined primarily within the national boundaries, the repressive force of organized crime ignores all geographical borders. Thus, it is a transnational form of autocratic control. This non-state authoritarianism evolved from old existing structures.

Since governments in political transition phases often display weak power structures, the resulting power vacuum can be exploited by illegitimate structures. In the successor states of the former Soviet Union (FSU), the collapse of existing state institutions has transferred former powerful individuals from the state to the private control apparatus. Additionally, the government itself is subject to the corrupting influence of organized crime groups, with the subordinate legitimate structures being complicit in the organized criminal activity and failing to protect their citizens.

Exploiting the weakness of declining state control and weakening power structures, organized crime replaces state-authoritarianism through its own form of social, political and economic control. In their global pattern of operations, transnational criminal groups also attempt to undermine the administration of justice in foreign countries. Members of law enforcement agencies in various European countries have been bribed by criminal groups from the FSU to ignore alien smuggling, drug trafficking or prostitution rings. Law enforcers investigating criminal groups have also been subject to intimidation attempts. (Shelley, 1997, p.135)

As Table 3-3 below shows, both traditional Soviet and organized crime based authoritarianism affect all aspects of society including economic relations, political structures, legal institutions, citizen-state relations and human rights. (Shelley, 1997, p.123)

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<sup>29</sup> Statement of a Russian witness in an American legal proceeding concerning an alleged Russian organized crime figure.

**Table 3-3.—Soviet Authoritarianism vs. Authoritarianism of  
Post-Soviet Organized Crime**

	<b>Soviet Authoritarianism</b>	<b>Authoritarianism of Post-Soviet Organized Crime</b>
<b>Ruling</b>	<ol style="list-style-type: none"> <li>1. Based on concept of Soviet state</li> <li>2. Centralized governmental control through communist system</li> <li>3. Controlled elections</li> </ol>	<ol style="list-style-type: none"> <li>1. Not state based: predicated on demise of nation state or complicit with compromised governmental agencies</li> <li>2. Decline of centralized control; replacement by regional leaders beholden to or complicit with organized crime</li> <li>3. Infiltration of organized crime into state structures undermines democracy and results in impotent state. Presidential, executive and legislative branches unable and unwilling to protect citizens' interests.</li> </ol>
<b>State Relation to its Citizens</b>	<ol style="list-style-type: none"> <li>1. Subordination of citizens' interests to the state and Communist Party</li> <li>2. Compulsion of the citizen by state legal system</li> <li>3. Citizens often mobilized for state's objectives</li> <li>4. State limited civil society and denied human rights</li> <li>5. State provided public services</li> </ol>	<ol style="list-style-type: none"> <li>1. Corruption of state institutions undermines integrity of government</li> <li>2. Abnegation of state's obligations to its citizens</li> <li>3. State cannot protect its citizens or residents from global reach of organized crime groups</li> <li>4. Subversion of emergent civil society</li> </ol>
<b>Ideological control</b>	<ol style="list-style-type: none"> <li>1. Control by Soviet state over film, art, mass media and scholarship through <i>Glavlit</i> (censorship authority) and criminal law</li> </ol>	<ol style="list-style-type: none"> <li>1. Intimidation of journalists, domestically and internationally</li> <li>2. Acquisition of mass media to circumscribe news coverage</li> <li>3. Lawsuits against foreign media who seek to disclose organized crime activity</li> <li>4. Intimidation of scholars</li> </ol>

**Table 3-3. (continued)**

	<b>Soviet Authoritarianism</b>	<b>Authoritarianism of Post-Soviet Organized Crime</b>
<b>Economy</b>	<ol style="list-style-type: none"> <li>1. Under communist system, state ownership or control of economy</li> <li>2. State domination of labor force or labor unions</li> <li>3. Disorganized areas not immune from organized crime</li> <li>4. Use of economic levers to control other states</li> <li>5. Strategic economic alliances with other authoritarian states</li> <li>6. Government guarantees business transactions</li> </ol>	<ol style="list-style-type: none"> <li>1. Organized crime groups control large sectors of economy at home base; invest transnationally</li> <li>2. Create new monopolies</li> <li>3. Exploit privatization process of state economies to gain control of key industries</li> <li>4. Intimidation of labor force and co-optation of labor unions</li> <li>5. Strategic alliances with crime groups for economic objectives</li> <li>6. Organized Crime guarantees business transactions in absence of state protection</li> </ol>
<b>Legal System</b>	<ol style="list-style-type: none"> <li>1. Legal system serves interests of state or controlling Party elite rather than welfare of citizenry</li> <li>2. State maintains monopoly on forces of coercion and deployment of violence</li> <li>3. Absence of independent judiciary and executions</li> <li>4. Extensive reliance on penal institutions and executions</li> <li>5. State sponsored violence remains unpunished</li> </ol>	<ol style="list-style-type: none"> <li>1. Weakened state legal system serves interests of organized crime rather than state or citizens</li> <li>2. Privatization of forces of state coercion to organized crime</li> <li>3. Corruption by organized crime undermines law enforcement, judiciary in successor states and in foreign countries</li> <li>4. State penal institutions are rendered ineffective because of domination by organized crime groups</li> <li>5. Violence perpetrated by organized crime remains unprosecuted and unpunished by the state</li> </ol>

Source: Louise I. Shelley, "Post-Soviet Organized Crime: A New Form of Authoritarianism", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.124-26.

While the authoritarian threat posed by post-Soviet organized crime does not at present directly affect international security, the increasing wealth and power of organized criminal groups have the potential to seriously impede the transition to democracy in

Russia and other states of the FSU. John Deutch, former CIA Director, believes "...that criminal groups constitute [already] a political force that actively opposes the strengthening of laws and institutions that could fight crime effectively."<sup>30</sup> The collusion of corrupt legitimate structures with criminal groups makes the citizenry vulnerable to intimidation. Individuals who live in fear in turn may welcome the resurrection of authoritarian controls and the enhancement of state power in the name of fighting organized crime. (Shelley, 1997, p.136)

Following the principle of action and reaction this development in turn is likely to intensify the efforts of the antagonist to stay in or even gain more power. In this process it is imaginable that thanks to the efforts of organized crime, more resilient legitimate structures could be subjugated to terrorist activities in the attempt to break any remaining resistance. Given the already existing amalgamation of legitimate and illegitimate structures, the subsequent emergence of a criminal state, now, however, also an actor on the international stage, cannot be excluded.

In an alternative scenario, organized crime could seek to exploit the discontent of other powerful actors, for example the military or parts thereof, who tend to oppose the path of democratization. This course of events, however, seems less likely since the liberties which come along with democracy and a free-market economy are basically what organized crime tends to exploit.

## **2. Economic Aspects**

The rapid collapse of the Soviet system and central planning offered opportunities for...an] underlying corruption to bloom, for criminals to reap much higher profits.... Many members of the former Soviet elite were in a good position, for example to illegally profit from the large transfer of wealth to the private sector. The opening of borders allowed criminals to transfer capital overseas, increasing the opportunities for profit and diverting revenue from the Russian economy.... Continued heavy involvement of the government offers new opportunities for official

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<sup>30</sup> Statement given in a hearing before the Committee on International Relations, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, April 30, 1996, pp.45-46.



corruption, particularly since officials often go unpaid for long periods and must find a source of income.<sup>31</sup>

Corruption and extensive crime are the forces that undermine the political as well as the economic stability of Russia and threaten its continued progress towards democracy and market economics. In post-communist Russia a close correlation has developed between the political weight of an office and its importance in the redistribution of former collectively owned property –a most fertile ground for corruption. These acts of corruption go beyond the ‘ordinary’ abuse of power, and begin to resemble the criminal underworld. Since 1996, each year about 20,000 crimes connected with corruption are officially recorded, but experts believe this figure to be less than one percent of the real scale of corruption. Operatives of the Ministry of Interior (MVD) assume that almost every organized crime group has its own high-ranking official who provides protection. In remote areas one public servant on the pay-roll of a crime group is sometimes more powerful than the authorities in Moscow. This situation is made possible because of Russia’s centralized presidential system. (Voronin, 1997, p.54)

President Yeltsin has already accused officials of turning a blind eye to the criminal penetration of the MVD, the very organization that is in charge of fighting organized crime. Officials of the German *Bundeskriminalamt* (BKA) say that there is meanwhile a “lethal mix of transnational criminal activity and intelligence services in Russia” (U.S. Congress, Hearing, January 31, 1996, p.57). A report of the German Intelligence Service (*Bundesnachrichtendienst*, BND) shares this analysis by stating that

The influence of organized crime on certain individuals or groups in the special services has become in part so strong that one should talk of a kind of mutual infiltration: Mafia and secret agents use the symbiosis of their relationships to their mutual advantage. (Shpakov, *Moscow News*, October 16, 1997)

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<sup>31</sup> Former CIA Director John Deutch in a statement given in a hearing before the Committee on International Relations, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, April 30, 1996, pp.45–46.

The BND comes to the conclusion that even the top section of President Yeltsin's staff is involved in illegal contacts with the Russian mafia: cooperation with "...mafia structures," the document says, takes place "...with the obvious support of the Russian government." (Shpakov, Moscow News, October 16, 1997)

Today around 8,000 criminal formations, with an overall membership estimated at 120,000, are active in Russia. Many of these groups operate in loose criminal confederations, perpetrating crimes such as extortion, drug dealing, bank fraud, money laundering, arms trafficking, export of contraband oil and metals, and smuggling of nuclear material and technology. In 1995 the shadow turnover of capital in Russia reached 45 trillion rubles—equal to almost 25 percent of the gross national product (GNP). One-fifth of the strategic raw material that was exported in 1995 took the form of contraband. As of 1996, Russian organized crime controlled an estimated 50,000 companies and accounted for approximately 40 percent of Russia's GNP. (Voronin, 1997, pp.53–54; Dunn, 1997, p.63)

Russia is being systematically plundered, ransacked by a criminal class which is working directly in hand with elements of the political forces that are running the country. (CSIS, 1994, p.110)

The Russian government's official statistics also reflect a sobering perspective on criminal penetration of the economy. According to Yeltsin administration officials, 70–80 percent of private businesses are paying extortion fees worth 10–20 percent of their total retail sales. The Ministry of Internal Affairs estimates that criminal groups and businesses export approximately \$1.5 billion a month to Western bank accounts. (U.S. Congress, Hearing on April 30, 1996, p.46)

Even MVD officials estimate that more than 40,000 enterprises were either established or are now controlled by criminal organizations. Large mafia empires control whole spheres of the economy and industrial production. Penetration of the economy is increasing, and banks and commercial structures are gradually becoming part of the system for laundering criminal capital. Against this background, it can be assumed that the

shooting of prominent bankers and businessmen –the Russian version of ‘hostile take-over’– is certain to continue.<sup>32</sup> (Voronin, 1997, p.54)

In addition, organized crime is exploiting Russia’s military–industrial complex, gaining not only access to weapons and technology, but also recruiting valuable talent among military specialists, university–trained scientists, and former police officials.

### **3. Summary**

The political and economic aspects of organized crime constitute a force that undermines the political as well as the economic stability of Russia and threatens its continued progress towards stable, free–market democracy. The collusion between parts of the former political nomenclature and economically powerful crime groups represents a new form of authoritarianism. Unlike Soviet authoritarianism, which affected citizens within its borders or sphere of influence, the international reach of post–Soviet organized crime intimidates individuals inside and outside the confines of the FSU. The exploitation of Russia’s military–industrial complex adds a further aspect to a significant threat that can no longer be seen as a mere Russian domestic issue.

### **C. MAJOR RUSSIAN MAFIA GANGS<sup>33</sup>**

According to the MVD, the number of mafia gangs in Russia has grown from 785 in 1990 to more than 8,000 by mid–1996. The estimated overall number of active members ranges from 120,000 to more than three million people, depending on the source. Ruthlessness and propensity to use violence, as well as the ability to operate

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<sup>32</sup> For example, on July 28, 1997, the director of the North Western River Shipping company, E. Khokhlov, and his deputy N. Yevstafev were gunned down in a Leningrad Port office building. Economically–motivated crime and violence in St.Petersburg included 30 killings in the period fall 1993 – summer 1994 (IEWWS Russian Regional Report, vol.2, No.44, December 18, 1997).

<sup>33</sup> The documentation on Russian mafia gangs provided in this subsection is predominantly based on a research conducted by Guy Dunn. Dunn in turn derived this information from a series of confidential briefings with well–placed sources, such as Russian and international policemen, MVD officials, prosecutors, regional and city officials, and ‘business personnel’. (See Dunn, 1997, p.64).

abroad are the salient characteristics of Russian organized crime. Although most of the traditional mafia organizations increasingly act on a transnational scale, two factors seem particularly to favor the spreading of Russian crime groups. First, the fact that the Red Army was stationed in many European countries enabled gangs to make contacts that later could be exploited when they turned to criminal activities. Second, Russian émigré communities exist across the world, and organized criminal groups tend to flourish when they can melt into close-knit ethnic minorities in an otherwise alien society. Today, an estimated 110 Russian mafia gangs operate in more than 44 countries worldwide. While the number of more than 8,000 Russian mafia gangs is impressive and alarming at the same time, only about 30 of these gangs are truly large organizations with a broad range of operations and logistics. These gangs which are capable of conducting complex operations and are increasingly operating abroad, constitute the most significant threat. (Dunn, 1997, pp.63–64)

### **1. Structure and Characteristics of Russian Mafia Gangs**

Although there is no set structure for Russian crime groups, knowledgeable sources within the Financial Crimes Enforcement Network (FinCEN) have provided a model of an organizational pattern that larger groups seem to follow.<sup>34</sup> The principle of this structure, as shown in Figure 3–1–1 below, is to minimize contact with other cells that could lead to the identification and compromise of the entire organization.

*Elite Group* – consists of the leader and his deputies/aids who are specialized, for example as strategists, economic advisers, banking consultants, industry specialists, and in turn have excellent contacts in industry, national and local governments, etc.

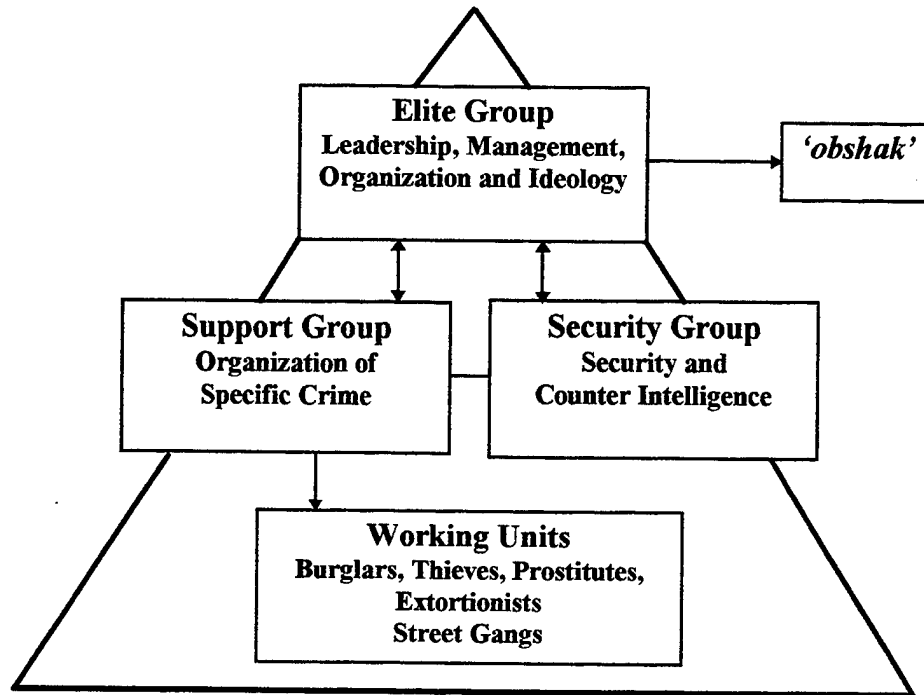
*Support Group* – is responsible for the organization of specific crimes

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<sup>34</sup> The Financial Crimes Enforcement Network was established by the U.S. Department of the Treasury in April 1990 as a multi-agency, multi-source financial intelligence and analytical network. (U.S. Congress, Hearing Before the Committee on International Relations, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, April 30, 1996.

*Security Group* – is responsible for physical and operational security

*Working units* – consist of the ordinary criminals grouped in street gangs, which conduct traditional mafia crimes as extortion, smuggling, control of prostitution, theft, burglary, kidnapping, etc.

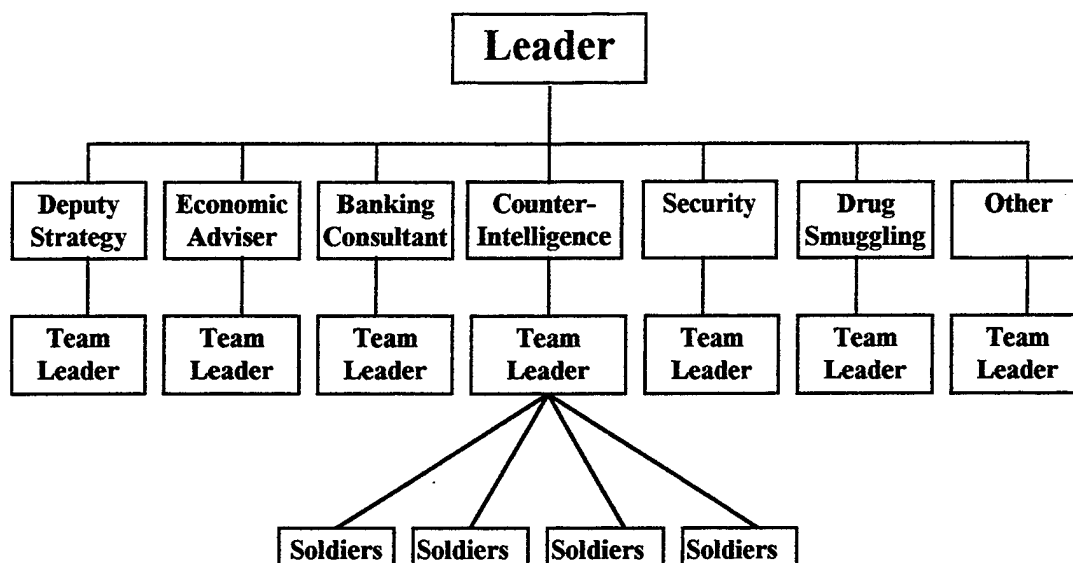


**Figure 3-1-1.—Structure of Russian Mafia Gangs –I–**

Source: Financial Crimes Enforcement Network (FinCEN) in: Hearing Before the Committee on International Relations, U.S. Congress, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, April 30, 1996, p.92.

This structure enables the organization to conduct and control complex operations in different places simultaneously. The elite leadership is buffered by support and security personnel from the working units who are committing the crimes. Street operators are not privy to the identity of their leadership. Strategy and planning is done only at the top of the pyramid in order to minimize the risk of detection. According to law enforcement sources, this structure resembles the organizational pattern of old style Soviet criminal enterprises. Thus it might be subject to change as organized crime changes in the future. (U.S.Congress, Hearing, April 30, 1996).

An alternate structure is provided by Dunn. Shown in Figure 3-1-2 below, the structure follows a pattern similar to that of large military staffs or industrial enterprises.



**Figure 3-1-2.—Structure of Russian Mafia Gangs –II–**

Source: Guy Dunn, "Major Mafia Gangs in Russia", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, p.64.

This type of organization provides the same advantages as the one described above but allows for an even greater diversification of activities. The capabilities of both organizational patterns are further increased through the availability of latest technology. Additionally, most of the major gangs share the following characteristics:

- a hierarchy enforced by strict disciplinary sanctions
- restricted membership, sometimes based on family or ethnic ties
- tight secrecy and compartmentalization
- the uninhibited use of intimidation and violence (Dunn, 1997, pp.64-65)

## **2. Major Gangs in Moscow**

Out of the estimated 150 mafia gangs that are operating in the Russian capital, 20 are well-armed, relatively large organizations. Only six of these, the three Chechen gangs, and the *Solntsevskaya*, *Podolskaya* and *21<sup>st</sup> Century Association* organizations, wield real

power. As in ordinary business, increasing sophistication and concentration of efforts is the key to remaining competitive. This accounts for the small number of powerful organizations. Gang activities have shifted from extortion to financial and other business operations, which are only an option for a small number of resource-rich gangs. The three Chechen gangs are closely linked together, and maintain a single *obshak*, –pooled financial resources that are used for paying lawyers, bribing officials, and for supporting imprisoned members.(Dunn, 1997, pp.65–66)

Among the other major mafia gangs, the Slav groups (*Solntsevskaya* and *Podolskaya*) are the natural enemies of the Chechen gangs. In 1990–91, the Slav gangs waged war against the Chechens. The clash between the two sides continues. Killings in recent years, however, were over battles to win contracts and influence, rather than the result of a strategic war. The *Solntsevskaya* constitutes the largest single gang in the country, and is also extremely well armed.

Additionally, there are about 20 important smaller gangs operating in Moscow, which are very rich by Russian standards, but cannot compete with the larger Slav or Chechen organizations. Their size ranges between 50 and 100 members. During major conflicts, survival of these gangs requires coalition with one or the other large gang. (Dunn, 1997, p.70)

Table 3–4 below gives an overview of the major mafia gangs in the Russian capital.

**Table 3-4.—Major Gangs in Moscow**

<b>Name</b>	<b>Members</b>	<b>Main Operations</b>	<b>International Operations</b>
<b>'Chechen Connection'</b> (consists of three gangs below)	1,500 to 3,000	banking, prostitution, car smuggling, illegal oil deals, drug smuggling	Germany, Austria, Poland, Turkey, the Netherlands, Hungary, Jordan, former Yugoslavia, the United Kingdom
<b>Tsentralnaya</b>	included above	counterfeiting, drug smuggling, extortion, kidnapping, prostitution, financial fraud, arms smuggling, 'import/export'	as member of the Chechen Connection (see above)
<b>Ostankinskaya</b>	included above	domestic and international road haulage, extortion, drug and arms smuggling	Northern Caucasus, as member of the Chechen Connection (see above)
<b>Avtomobil'naya</b>	included above	legal and illegal car trade, including 'import/export', theft, smuggling and sale of cars, extortion	as member of the Chechen Connection (see above)
<b>Solntsevskaya</b>	3,500 to 4,000	banking, investment, car smuggling, extortion, retail, prostitution, drug production, smuggling and distribution, kidnapping	Germany, Austria, Poland, Belgium, U.S., Czech Republic, Italy, Hungary, the UK; has links with Cali cartel and transits cocaine through Russia into Europe and the U.S.
<b>Podolskaya</b>	500	prostitution, drug and arms smuggling, money laundering, extortion, kidnapping, financial fraud, 'import/export'	mainly the Netherlands, 'import/export' throughout the world, tries to extend its operations in the U.S.
<b>21<sup>st</sup> Century Association</b> (umbrella organization)	1,000	extortion, kidnapping, prostitution, active in business arena including oil and insurance, controls nationwide as many as 100 companies, has opened charities for military personnel	operates in seven countries, mainly in Europe, and the U.S.

Source: Guy Dunn, "Major Mafia Gangs in Russia", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.65-67.



### 3. Major Gangs in St.Petersburg

St.Petersburg is generally considered the stronghold of Russian organized crime. As a busy port lying in close proximity to western Europe, its strategic position favors all kinds of smuggling operations. As Table 3-5 below shows, four major gangs are operating in and out of St.Petersburg. (Dunn, 1997, p.72)

**Table 3-5.—Major Gangs in St.Petersburg**

Name	Members	Main Operations	International Operations
Tambovskaya	1,500 (twice as much in a loose association)	arms dealing, car trading, protection rackets, drug production and distribution, kidnapping prostitution, contraband alcohol production, oil business	Germany, the Netherlands, Poland, Finland, Sweden; may be involved in smuggling of illegal immigrants; operations abroad are believed to include trade in nuclear materials
Malishevskaya	1,500 to 2,000 (up to 5,000 'drifters')	prostitution, arms dealing drug production, extortion, abduction car dealing	Germany, Baltic States, Finland, Sweden, Norway; may be involved in smuggling of illegal immigrants
Kazan'skaya	1,000 to 1,500	extortion, car theft and trading, drug and arms dealing, kidnapping, prostitution	unknown
Vorkutinskaya	2,000	drug production and dealing, prostitution, arms dealing, car smuggling, kidnapping, protection racketeering, contraband alcohol and tobacco production	Finland, Sweden, Germany

Source: Guy Dunn, "Major Mafia Gangs in Russia", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.72-74.

The smaller gangs in St.Petersburg tend to have a couple of hundred members, and normally specialize in operations such as extortion, kidnapping and drug dealing. One of them, the Kavkaz gang, specializes in the kidnapping of children. The smaller gangs do not operate independently, but rather pay tribute to one of the larger organizations. The major ethnic gangs are the Chechen, Azerbaijan, and Dagestan gangs. (Dunn, 1997, p.74)

#### 4. Major Gangs in Yekaterinburg

Since 1996 the situation of organized crime in Yekaterinburg has degenerated into total anarchy, as a result of the weakening of the two main gangs, *Uralmashskaya* and *Tsentral'naya*. Now, a far greater number of smaller gangs is striving for influence in Yekaterinburg's underworld, causing an almost permanent full-scale gang war. (Dunn, 1997, p.74) –Table 3–6 below shows the major gangs operating in Yekaterinburg.

**Table 3–6.—Major Gangs in Yekaterinburg**

Name	Members	Main Operations	International Operations
<b>Uralmashskaya</b>	50 (up to 200 if necessity arises)	arms smuggling, banking, economic crime, real estate manipulations, smuggling of raw materials and metals, nuclear material smuggling, prostitution	Germany, Poland, China, Cyprus United States
<b>Tsentral'naya</b>	unknown	prostitution, drugs and arms smuggling extortion, gambling metal smuggling	Hungary ('legitimate business') Belgium
<b>Afghantsy</b>	15 to 20 (200 drifters; mostly Afghan war veterans)	extortion, car trading, drug smuggling, petrol selling	Afghanistan (drug smuggling)

Source: Guy Dunn, "Major Mafia Gangs in Russia", in: *Russian Organized Crime: The New Threat?*, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.74–76.

#### 5. Major Gangs in Vladivostok

Until 1992, Vladivostok, a major naval base, was closed to almost all foreigners and had a strict entry–exit regime for Russians. Loosening of this control in 1992 led to the influx of criminal groups, hoping to take advantage of the new lax border regulations with China. While Vladivostok's mafia gangs are still in a phase of consolidation, they have a reputation for using excessive violence. (Dunn, 1997, p.77) –Table 3–7 provides an overview of the major mafia gangs.

**Table 3-7.—Major Gangs in Vladivostok**

<b>Name</b>	<b>Members</b>	<b>Main Operations</b>	<b>International Operations</b>
<b>Mikho's Gang</b>	100 (200–250 drifters)	arms and drug smuggling prostitution, extortion, smuggling of clothes and electronic goods from China	China, Macao, Japan
<b>Kostenaya</b>	60 (up to 150 drifters)	prostitution, drug production and smuggling, trading in cars and electrical appliances	China
<b>Kovolskaya</b>	<20	unknown, possibly arms dealing	unclear, possibly connection to Japanese Yakuza
<b>Makorskaya</b>	40 to 60 (mostly martial arts experts)	extortion, prostitution, contract killing, arms dealing	unknown, contract killing suspected

*Source:* Guy Dunn, "Major Mafia Gangs in Russia", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.77–80.

In addition, smaller groups from Tajikistan, Uzbekistan and Azerbaijan are beginning to set up in Vladivostok.

## **6. Summary**

While the number of more than 8,000 Russian mafia gangs is impressive and alarming at the same time, only about 30 of these gangs are truly large organizations with a broad range of operations and logistics. Today, an estimated 110 Russian mafia gangs operate in more than 44 countries worldwide. Strongholds of large mafia groups with international reach are Moscow and St.Petersburg. These groups are characterized by a complex structure that enables them to conduct sophisticated operations on an increasingly worldwide stage. Moreover, several of the larger organizations are already cooperating with other mafia groups such as the Yakuza, the Colombian Cartels or the Italian Mafia.

## **D. RUSSIAN MAFIA ACTIVITY ABROAD**

In June 1996, the MVD claimed that approximately 110 Russian mafia gangs were conducting operations abroad, either in cooperation with foreign partners, or independently. Most of these international sections of the larger organizations are permanently based abroad. Together, they encompass about 7,000 members. Russian organized groups are believed to operate in more than 44 countries, including:

Austria, Belgium, Bulgaria, Canada, China, Cyprus, the Czech Republic, Finland, France, Germany, Greece, Hong Kong, Hungary, Israel, Italy, Japan, the Netherlands, Poland, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States and former Yugoslavia. (Dunn, 1997, p.81)

### **1. Activity in European Countries**

Although nearly every European country is affected by Russian organized crime, the following brief survey will focus on those countries which are most affected.

#### ***a. Austria***

In Austria, Russian gangs specialize in prostitution and economic crimes. More sophisticated groups also exploit Austria's lax banking and tax laws. This accounts for the *Solntsevskaya* gang's decision to base its western European headquarters in Vienna. Other Russian organizations, such as the shadowy business XXXX, which initially made its money smuggling metals out of Russia, and now launders its money through Austrian banks, are also headquartered in Vienna.<sup>35</sup> In November 1995, Austrian authorities clamped down on XXXX and deported 70 of its 80 employees. (Dunn, 1997, p.81)

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<sup>35</sup> Although for reasons of confidentiality Dunn does not identify it, it is the assumption of the author of this thesis, that XXXX in fact is the 'Nordex-Corporation' (see subsection E. of this chapter).

*b. Belgium*

The activities of Russian mafia groups in Belgium concentrate on prostitution, pornography rackets, and economic crimes. Though Russian gangs also operate in Brussels, their major area of operations is Antwerp, the city's port which has a reputation for being a major smuggling base for transatlantic operations. The number of ethnic Russians in Antwerp has increased in such a manner that Falcoplein Square in its center has been dubbed 'Red Square'. (Dunn, 1997, p.82)

*c. Cyprus*

The Mediterranean island is a popular location for money laundering, as well as a destination for capital from Russia. By 1996 about \$1.3 billion was estimated to arrive in Cyprus from Russia every month.<sup>36</sup> With the main attraction being Cyprus' double-taxation agreement with Russia, an estimated 2,000 Russian companies operate in the country. In late 1995, a wave of bomb attacks in Limassol was believed to be partly connected to increasing rivalry between Russian gangs. The bombings, which killed several people, followed the deportation of several Russians from Cyprus in the previous months for extorting money from compatriot businesses. (Dunn, 1997, p.82)

*d. Czech Republic*

The Czech Republic suffers from the problem that Russian gangs have used links forged during the Soviet years to set themselves up in Prague. Consequently, some 3,000–4,000 organized criminals are believed to be operating in the Czech capital. The gangs in Prague tend to concentrate on drug and arms trafficking, extortion and protection rackets, armed robbery and money laundering. Approximately 70 percent of drugs entering Germany come through Prague. Furthermore, Russian gangs prefer Prague as

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<sup>36</sup> Since the activities of the Russian 'companies' are extremely profitable for Cyprus, the country has refused a request from the Russian Central Bank (RCB) to consult it before granting licenses to Russian companies (Dunn, 1997, p.82).

their base in Central Europe, and occasionally use the city as their meeting point. The gangs in the Czech capital have great power and access to officials. In December 1995, Vladimir Nechanicky, head of the Interior Ministry's internal investigations department (Ministry inspectorate), was dismissed for alleged links with Russian organized crime groups. He apparently tipped off leading Russian mafia leaders that were to be arrested during a planned visit to Prague in May 1995.<sup>37</sup> (Dunn, 1997, p.82)

*e. Germany*

About 20 out of the 50 Russian criminal gangs that are believed to operate in Germany come from the Moscow region. Many members of the Russian gangs were stationed in the former GDR during the Cold War, and thus already had contacts there. Their main activities include prostitution, car theft, extortion, drug related offenses, currency counterfeiting and the trade in arms and radioactive materials. One-third of all crimes committed in Germany is estimated to be the work of Russian criminals. According to the German Federal Police (BKA), at least 10,000 Russian women are forced to work as prostitutes throughout the country. Strongholds are cities in eastern Germany, Berlin, Frankfurt/Main, and Hamburg. (Dunn, 1997, p.83)

*f. Hungary*

In 1991 more than 1,000 Russians deserted from the Red Army during the last week before its withdrawal from Hungary. Many turned to criminal operations. As a consequence, Russian mafia activity is relatively high in Budapest, where gangs tend to use contacts fostered when the Red Army had bases there. Activities concentrate on the theft and smuggling of cars, prostitution and protection racketeering. Larger gangs in

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<sup>37</sup> In another incident, a leading Russian mafia member was released from Prague's *Ruznye* prison in late October 1995 after authorities were fooled by a bogus fax from the district court demanding his immediate release. The fax bore both the court's official seal and the correct evidence number (Dunn, 1997, p.82).

Budapest are increasingly specializing in economic crime, laundering money for example by buying up Hungarian companies in the privatization program. (Dunn, 1997, p.83)

*g. Italy*

At least six Russian mafia gangs are believed to operate in Italy. Their activities include robbery, arms and drug smuggling, economic crimes and extortion. Some of these operations demonstrated cooperation with Italian mafia groups.<sup>38</sup> Russian gangs are most powerful in Milan, where they concentrate on economic crimes. (Dunn, 1997, p.84)

*h. Netherlands*

The city of Amsterdam is the stronghold of Russian mafia gangs. Exploiting the liberal drug laws, Russian gangs use the Netherlands as a transit point for drug trafficking. Other activities include prostitution, pornography, and the smuggling of stolen cars. As elsewhere in western Europe, the more sophisticated criminal organizations concentrate on economic crimes. Consequently, the level of money laundering and counterfeiting is high. Like Belgium, the Netherlands serve as a transit-base for transatlantic operations. (Dunn, 1997, p.84)

*i. Poland*

Problems with Russian organized crime in Poland resemble those of Hungary and the Czech Republic. Additionally, Russian mafia gangs are responsible for an extreme high level of car theft in Poland. The most popular vehicles are expensive German makes (BMW, Mercedes, Porsche, Audi) or four-wheel-drive vehicles. On average, a Mercedes driven in Warsaw is likely to be stolen within three months. Armed car-jacking by Russian gangs has also increased dramatically. In January 1996 alone, at least 20

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<sup>38</sup> For example, Russian gangs smuggle arms to Italy, which in turn are smuggled to Bosnia-Herzegovina by the Italian mafia (Dunn, 1997, p.83).

foreigners were held up by heavily armed car-jackers while driving in and around Warsaw. Most of the stolen cars are taken to Russia. (Dunn, 1997, p.84)

*k. Sweden*

Russian mafia gangs use Sweden as a main transit point for smuggling illegal immigrants into the West. Consequently, gangs have set up a large underground industry for false or stolen passports, visas and other travel documents. Up to \$3,000 are charged for the smuggling of refugees, which has become known as 'criminal tourism'. (Dunn, 1997, p.84)

**2. Activity in the United States**

As was mentioned earlier, organized criminal groups tend to flourish when they can melt into close-knit ethnic minorities in an otherwise alien society. Following this preference, Russian organized crime in the U.S. has spread in cities and states where there is a concentrated population of Russian émigrés, such as New York City, Philadelphia, and parts of Florida and California. (Finckenauer, 1997, p.139)

During the 1970s and 1980s, approximately 200,000 Soviet citizens, many who were Russian-Jewish refugees, immigrated to the U.S. In this context, Daniel Lungren, Attorney General, California Department of Justice, testified in a hearing before the 'Committee on International Relations', U.S. Congress, that

Although the Soviet government liberalized its Jewish immigration policy, it is believed that under this guise the KGB also emptied their prisons of hard-core criminals, much like Cuban dictator Fidel Castro did during the Mariel boatlift of 1980. Many of these criminals are believed to have continued their life of crime in the United States. (Hearing, April 30, 1996)

The flow of Soviet refugees further increased following the congressional enactment of the Lautenberg Amendment in November 1989, and the adoption of Russia's first law granting its citizens the right to immigrate and travel freely in May 1991.<sup>39</sup>

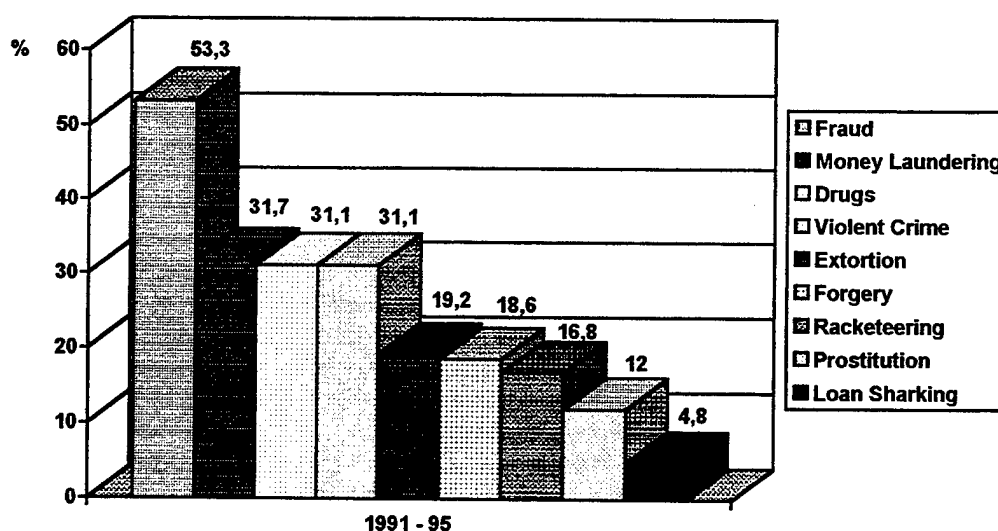
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<sup>39</sup> The Lautenberg Amendment allows up to 50,000 Soviet refugees to enter the U.S. each year.



Although Russian organized criminal activity in the U.S. has been expanding for the past 20 years, its most significant growth has occurred since 1991.<sup>40</sup> In August 1993, the FBI reported 15 organized crime groups with former Soviet ethnic origins which were operating in the U.S. According to law enforcement agencies, Russian organized crime networks have been identified to operate in New York, Boston, Chicago, Miami, Cleveland, Philadelphia, and Seattle. In California, Los Angeles, San Francisco, San Diego, and Sacramento are cities affected by Russian organized crime. Networks operating in the U.S. often are interconnected, and have ties to organized crime groups in Russia.

Figure 3-2 below gives an overview of types of crime committed by criminals from the FSU in the U.S. between 1991 and 1995.



**Figure 3-2.—Reported Russian-Émigré Criminal Activities, 1991-95**

Source: Rutgers University / Tri-State Project Law Enforcement Survey.<sup>41</sup>

<sup>40</sup> According to an April 1986 report by the President's Commission on Organized Crime, the first indication of an element of organized crime among Russian immigrants came in 1975, when a gang from the Odessa region was discovered to be involved in major fraud. The Brighton Beach area of New York City became the hub for Russian organized crime during the mid-1970s.

<sup>41</sup> The 'Rutgers University/Tri-State Project Law Enforcement Survey' was conducted among 484 law enforcement agencies throughout the U.S. representing every level (federal, state, county, and local) of

Today, 28 states report Russian organized crime activity. These activities include extortion, prostitution, car theft, counterfeiting, credit card forgery, narcotics trafficking, insurance and medical fraud, fuel tax fraud, money laundering, and homicide.<sup>42</sup>

Among the Russian organized crime groups, the *Odessa Mafia* is considered to be the largest organization operating on U.S. soil. Established between 1975 and 1981 in the Brighton Beach area of New York City, the *Odessa Mafia* spread to San Francisco and Los Angeles in the early 1980s. (U.S. Congress, Hearing on April 30, 1996, pp.87-95)

### 3. Summary

With the disappearance of the geographic and political barriers which prevented the Soviet Union from participating in the global economy, business organizations from the FSU, both legal and illegal, have spread throughout the world. Particularly since 1991 Europe and the U.S. have witnessed a remarkable increase in Russian organized crime. Whenever more sophisticated crime groups succeed in establishing themselves in a lucrative area, they tend to become involved in economic crimes and legal business as well. They are trying to cover up their illegal trails, and hence become harder targets. While most of the criminal activities encompass traditional mafia crimes, the nearly unrestricted access of Russian gangs to weapons technology of the FSU, including fissile material and WMD, leads to a significant increase of the proliferation threat. Therefore,

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government in every state. Participants were asked whether their agency had, within the previous five years, investigated, prosecuted or otherwise had contact with criminals from the FSU. Out of 484 agencies, 167 replied with 'yes', 65 of the latter indicating that they considered Russian-émigré crime a major problem within their jurisdiction. Participants were also asked about the types of crimes committed within their area by Russian émigrés. Since participants were allowed to report multiple types of crime within their jurisdiction, numbers in Figure 3-2 add up to more than 100 percent (Tri-State Joint Soviet-Émigré Organized Crime Project, Documentation, Appendix A, p.215).

<sup>42</sup> To give two examples of the magnitude of the operations: Between March 1993 and September 1995, IRS undercover operations resulted in 10 major indictments, involving 136 defendants and \$363.70 million in evaded taxes. In California, Russian émigré Michael Smushkevich was the mastermind of a medical diagnostic testing scheme that generated \$1 billion of fraudulent billings to medical insurance carriers (U.S. Senate, Hearing, May 15, 1996, pp.152-53).

the final subsection of this chapter will focus on the 'nuclear dimension' of Russian organized crime.

## **E. THE NUCLEAR DIMENSION**

The dramatic events of 1991 led to the resignation of the then-Soviet President Mikhail Gorbachev on December 25, and left 27,000 nuclear warheads and roughly 1,300 tons of potentially lethal fissile material scattered across the FSU and thus vulnerable to theft or purchase by terrorists (Barry, 1997, p.42). Aleksandr Solzhenitsyn called the new Russia through which the thousands of nuclear warheads were moving after the disintegration of the Soviet Union an "...amalgam of former Party functionaries, quasi democrats, KGB officers and black market dealers, a dirty hybrid never before seen in world history." (Cockburn, 1997, p.38)

Events which initially were assessed to further democratization, created at the same time a market of loose nukes. This situation would soon be exploited by organized crime.

### **1. Basic Concerns**

While the individual cases of nuclear smuggling that came to the attention of the public appeared to be a fragmented, decentralized, and amateurish business, these activities arguably carve out new criminal trade channels and increase potential opportunities for proliferation of WMD. (Lee, 1997, p.109)

Given the intercepted nuclear smuggling to date, observers tend to argue that nuclear trafficking does not qualify as a particularly successful criminal enterprise, and that 'legitimate' buyers are hard to identify.<sup>43</sup> Additionally, economic considerations seem to lead to a low priority on procuring and brokering radioactive materials compared to the

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<sup>43</sup> 'Legitimate' buyers are buyers that are not linked to undercover police and/or intelligence operations. A 1995 report by the *Bundeskriminalamt* (BKA) notes: "It has been confirmed that there is no market for illegal acquired nuclear materials in the Federal Republic – allegations that there are potential customers for radioactive materials have not been verified to date." (Lee, 1997, p.109)

organized crime's core business, since it can take weeks or months to find customers. Finally, nuclear smuggling pathways identified and intercepted to date have been fairly predictable. Reflecting a 'supplier-in-search-of-a-buyer' dynamic, the vast majority of illegally-acquired material has moved westward from the FSU across the Baltic States and East-Central Europe to Germany. Considering, however, the existing preferences for strategic nuclear material and technology in states such as Iran, Iraq, or North Korea or among Middle Eastern terrorist groups, it is more likely that a well-functioning nuclear smuggling system might direct the flow of material southward and eastward to meet this demand. Thus, the visible face of nuclear trafficking seems to obscure some insidious realities. While the business itself appears to be highly unstable, it could easily develop in lethal and unpredictable ways. (Lee, 1997, pp.109-11)

In December 1992 Western intelligence officials warned that the potential for Mafia groups "...to access nuclear weapons is high and getting higher, and the potential political and economic payback from such access is growing." Early in 1993, in Brussels, the late Manfred Wörner, then Secretary-General of NATO was briefed on the developing threat in an "...extremely bleak assessment, emphasizing the fragmentation of the Russian Federation, the breakdown of civilian control of the military and erosion of the military's own cohesion as the material welfare of the officer corps deteriorates in tandem with the general collapse of Russian society." (Cockburn, 1997, pp.61-62)

Economic hardship and spreading corruption, together with decreasing moral and ethical scruples, constitute the background against which thefts by experienced insiders, especially those working in concert, pose a likely and ever-present threat, even at the most secure facilities.<sup>44</sup> (Lee, 1997, p.112)

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<sup>44</sup> For example, at Moscow's Kurchatov Institute's Building 116, which, even by Western standards, boasts relatively up-to-date and stringent security procedures, managers estimate that a combination of only four people could accomplish a successful diversion of weapons-grade uranium from the facility. Building 116 holds a significant quantity of 95%-enriched uranium U-235, enough to make several nuclear weapons (Lee, 1997, p.112).

Although little evidence exists that a Russian nuclear mafia or transnational criminal organization controls the smuggling of radioactive materials, the supply chains and mechanisms to transport such materials over long distances and across international boundaries are already in existence. These networks typically comprise loose assortments of former nuclear workers, small metals traders, opportunistic businessmen and petty smugglers.<sup>45</sup> Furthermore, nuclear trading channels at times are augmented by participation of former and current government officials, diplomats, intelligence operatives and military personnel. (Lee, 1997, pp.112–13)

Most of the cases of illegal weapons or technology sales are a result of the wrenching social change and malaise found throughout Russia's armed forces. Discipline and morale in the armed forces have declined catastrophically since the break-up of the Soviet Union. Even Russian officials are worried about conspiracies within nuclear armed units, especially in the far eastern sectors, where troop living conditions have dropped to unbearable levels. It is frightening to think that WMDs are guarded by unpaid and angry soldiers in a society where responsibility and morality are fast disappearing, and organized crime reigns supreme. (Cockburn, 1997, p.250)

In a statement given at a recent meeting of senior military personnel, General Igor Sergeyev, Russia's Defense Minister, admitted that crime in the armed forces has reached a critical level, with powerful organized criminal groups penetrating the army. Last year 18,000 officers were charged with a range of criminal offenses. General Sergeyev said that "...the criminal situation in the armed forces is reaching a critical level, both in terms of the number of offenses and their gravity." (Lodge, The Times, March 11, 1998)

In addition, the effectiveness of Russia's efforts against nuclear crime and proliferation is doubtful. A reorganization of the MVD and FSB Economic Crimes Departments in early 1995, for example, cut the number of officials assigned to nuclear smuggling investigation, redeploying them to the increasing number of conventional

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<sup>45</sup> The trafficking chain involved in the 'Munich case', which will be discussed later, involved only seven persons. (Lee, 1997, p.112).

organized crime cases. As one result, a network of small front companies set up by the Russian counterintelligence service in Moscow, Yekaterinburg and other cities in 1994 to 'buy', radioactive and dual-use metals was largely dismantled in 1995. As a consequence, FSB officials assume that Russian authorities are able to intercept only 30 to 40 percent of materials vanished from Russia's nuclear facilities. (Lee, 1997, p.117) –Figure 3–3 below shows a hypothetical smuggling pathway for nuclear materials.



**Figure 3–3. —Trafficking Pathway for Nuclear Materials**

*Source:* Rensselaer Lee, "Recent Trends in Nuclear Smuggling", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, p.113.

The situation is worsened by a lack of effective cooperative mechanisms within the Commonwealth of Independent States (CIS) to combat nuclear smuggling, although CIS countries have signed agreements or protocols to interdict drugs or weapons trafficking. For various reasons, some Russian officials view counter-smuggling efforts as a low national priority. For example, Ministry of Atomic Energy (MINATOM) officials have repeatedly and openly criticized undercover operations as 'provocation', arguing that they create an artificial market for nuclear substances. This assumption is wrong and must be seen against the background of MINATOM's own rather dubious activities.<sup>46</sup> In light of other evidence presented here, the Russian official posture on nuclear smuggling appears discouragingly shallow and short-sighted. (Lee, 1997, p.117)

## **2. Recent Trends**

In July 1993, 1.8 kilograms of 36%-enriched U-235 were stolen from a fleet depot at Andreeva Guba, 30 miles from the Norwegian border. Four months later another 4.34 kilograms were stolen from the military port at Murmansk. Because the thieves were amateurs, in both cases the material was recovered by the Russian Navy. The investigator in both cases, Mikhail Kulik, reported to his superiors that "...organized crime groups have become more active in trying to obtain large consignments of radioactive material from the Northern Fleet. They contact the staff, study weak points of the system and the possibilities of large-scale thefts."<sup>47</sup> (Cockburn, 1997, p.76)

Table 3-8 below gives an overview on submarine fuel theft.

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<sup>46</sup> Under Mikhailov, MINATOM itself has been involved in an at least dubious nuclear deal with Iran; For a thorough coverage see Cockburn, One Point Safe, chp.10. While President Yeltsin seems to be eager to tighten export controls for nuclear and arms technology, the Russian bureaucracy, for various reasons, has not always effectively carried out his orders (Gordon, New York Times, March 9, 1998); see also fn 55 below.

<sup>47</sup> Mikhail Kulik is the 'Investigator of Particularly Important Cases at the military office of the public prosecutor of the Northern Fleet in Severomorsk'. (Cockburn, 1997, p.75)

**Table 3-8.—Submarine Fuel Theft in Russia since 1993**

Location	Date	What was stolen	U-235 Enrichment Level	Perpetrators	Remarks
Andreeva Gulf, Zazimsk Northern Fleet, Fuel Storage Site	July 1993	2 fuel rods each weighing 4.5 kg (1.8 kg of HEU extracted from one of the rods)	36%	two sailors of radiation safety services	two officers also accused but case against them dismissed for lack of evidence
Sevmorput Polyarny-Rosta Northern Fleet fuel storage dump	Nov. 1993	3 fuel rods together containing 4.34 kg of HEU	approx. 20%	two captains, one lieutenant	material recovered and thieves apprehended six months after theft
Severodvinsk Sevmash (nuclear submarine construction)	July 1994	3.5 kg of Uranium Dioxide	20% to 40%	4 local businessmen from Severodvinsk arrested; links to workers in Sevmash plant	trial in progress
Sevmash	Oct. 1994	fuel rods	no info.	no information	perpetrators arrested in Arkhangelsk; not charged
Severodvinsk Zvezdochka (maintenance and repair of nuclear submarines)	July 1995	fuel rods	no info.	contract employees of Northern Fleet	culprits stopped before removing uranium from plant—case under investigation
Zvezdochka	Jan. 1996	fuel rods	no info.	contract employees of Northern Fleet	criminals carried material out of Zvezdochkamash but were arrested in Severodvinsk—case under investigation
Sovietskaya Gavan' Pacific Fleet Fuel Storage and Submarine Repair Facility	Jan. 1996	fuel rods—at least 7 kg of HEU, 0.5 kg of zirconium, some cesium-137	40% to 60%	3 workers of facility 2 employees of export-import company in Kaliningrad	4.5 kg seized in Sovietskaya Gavan', 2.5 kg in Kaliningrad (part of same theft)—case under investigation

Source: Rensselaer Lee, "Recent Trends in Nuclear Smuggling", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, pp.118-19.



Between mid-1993 and early 1996, at least six attempted diversions of highly enriched uranium (HEU) occurred in the Murmansk-Arkhangelsk area. By January 1996 this 'business' apparently had metastasized to the Pacific Fleet, where approximately seven kilograms of HEU were stolen from a base at Sovietskaya Gavan'.

A military prosecutor attached to the Northern Fleet is investigating rumors of a 'Murmansk-St.Petersburg gang' that is believed to offer Russian naval officers \$400,000 to \$1,000,000 for each kilo of HEU that they obtain. Although the existence of such a criminal organization has not been confirmed, it can neither entirely be ruled out. (Lee, 1997, p.116)

Obstruction of justice, although never officially proved, seems to have occurred more often than once. In 1993 a Russian Colonel who was vigorously pursuing three nuclear smuggling cases was forced to quit the MVD. When he laid a trap for a Hungarian in Moscow who had incriminating evidence of how a specific nuclear deal was financed, the colonel entrusted this set-up exclusively to one MVD officer, two KGB men and one Interpol detective. Three hours after he had done so, the Hungarian vanished, his Moscow apartment stripped of any evidence. The colonel in turn was abruptly removed from the case. Fearing for his life, he abandoned the investigation. Most likely, the MVD itself had been 'bought and sold'. (Cockburn, 1997, p.97)

In May 1994 Tengen, a little town in Baden Wuerttemberg, came to unexpected popularity when German police stumbled on the purest plutonium ever found on the market. While they were searching the house of Adolf Jaekle, a suspected counterfeiter, detectives found 5.6 grams of rare super-grade (99.75% pure) plutonium-239. Jaekle had stored the plutonium in his garage. The origin of this sample of top-quality bomb material was Arzamas-16, a Russian weapons design facility. Although the question of how Jaekle obtained this material and what he intended to do with it was never properly answered, two interesting pieces of evidence were found in his house. Jaekle had a bank account at the Golden Star Bank in Vienna, a bank owned by the government of North Korea. The

detectives also found two business cards belonging to Russian scientists working at the Kurchatov Institute in Moscow. (Cockburn, 1997, pp.120–21)

In June 1994 in Landshut, Germany, a first arrest was made for smuggling nuclear material. A sample of the seized material (0.8 gram of bomb-grade U-235; 87.7% enriched), was searched for 'fingerprints' to determine its origin. It bore the typical Russian signature. In the Landshut case, it was not the quantity of U-235 that was intriguing but the high quality.<sup>48</sup> When on December 14, 1994 the Czech police confiscated 2.73 kilograms of highly enriched U-235 from the back seat of a car in Prague that had exactly the same 'fingerprints' as the Landshut sample, it became clear that nuclear smuggling had become a highly organized activity. The 87.7% enriched uranium had been smuggled out of Obninsk, a secret city 80 miles southwest of Moscow. One of the Russian smugglers caught in Prague was Alexandr Scerbinin, a former nuclear worker employed by a Czech import-export firm called 'Autotransport'. During his interrogation it became clear that it was not Czech justice which terrified him, but his masters back in Russia –another indication for the presence of organized crime. In the further course of the investigation it became clear to Czech officials that Russian organized crime was involved. Furthermore, given the reactions of their Russian counterparts, Czech officials concluded that at least the FSB, and possibly other sectors of the Russian government, had been penetrated by criminals. (Cockburn, 1997, pp.80; 91–96)

When on August 10, 1994, the evening Lufthansa flight from Moscow touched down in Munich, German authorities knew that 363.4 grams of weapons-usable plutonium were on board. The bomb-grade material was hidden in a suitcase belonging to a Colombian doctor, Justiniano Torres Benítez, who had studied medicine in Moscow in the 1980s and who had after the collapse of the Soviet Union started to sell helicopters

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<sup>48</sup> Other events at this time include: Bulgarian police finding capsules of radioactive material in a bus bound for Turkey; Turkish police arresting an Azeri national selling 750 grams of enriched uranium; Estonian police arresting a man who had buried three kilograms of U-238 under his garage; Turkish police claiming to have seized 12 kilograms of 'weapons-grade uranium' on July 19, 1994 (Cockburn, 1997, p.84).

and military supplies for a living. Mr. Torres, together with his 363.4 grams of plutonium, was arrested at Munich airport. According to German intelligence information the origin of the plutonium was Obninsk. (Cockburn, 1997, pp.98–99)

Although more recently no further nuclear smuggling operations have become public, it would be thoughtless to assume that there haven't been any. More appropriate is the assumption that smugglers have adapted and become smarter, and more cautious. Additionally, the political 'aftermath' for German intelligence and law enforcement agencies involved in the Munich plutonium case is more than likely to have had a counter-productive impact on future efforts to trap nuclear dealers.<sup>49</sup> Finally, the direction of nuclear trafficking is likely to shift towards the potential market, hence south and eastwards. –Table 3–9 below provides an overview of important seizures of near-weapons grade nuclear materials in Russia and Central Europe from 1992 through 1994.

**Table 3–9.—Important Seizures of Near-Weapons Grade Materials in Russia and Central Europe, 1992–94**

Date	Location	Material Seized	Possible Source
Oct. 1992	Podolsk (Railway Terminal)	1.50 kg of uranium 90% Uranium 235 (U-235)	Luch' Scientific Production Association
Feb. 1994	St. Petersburg	3.05 kg uranium dioxide 90% U-235	Elektrostal' Machine Building Plant
May 1994	Tengen–Weichs Baden Wuerttemberg Germany	5.60 g of 99.75% pure plutonium	Arzamas–16 (Kremlev) weapons design facility

<sup>49</sup> The Munich incident was considered a set-up operation of the BND. German intelligence and law enforcement agencies were accused of having intentionally endangered the passengers of the Lufthansa flight. The subsequent parliamentary investigation politicized this operation and further attempts to effectively trap nuclear dealers appear to be politically unacceptable. (Falkenrath, Richard A., Director of the Center for Science and International Affairs (CSIA), Harvard University, interview by Jürgen Marks, *FOCUS*, 47/1997, November 17, 1997, pp.71–72).

**Table 3-9. (continued)**

Date	Location	Material Seized	Possible Source
June 1994	Landshut Bavaria Germany	0.80 g of 87.7% U-235	Experimental fast reactor, possibly at Obninsk Institute of Physics and Power Engineering (FEI)
Aug. 1994	Munich Bavaria Germany	560 g of mixed oxide fuel with 363 g of plutonium, 210 g of lithium-6	FEI
Dec. 1994	Prague Czech Republic	2.73 kg of 87.7% U-235	Experimental fast reactor (chemically the same as Landshut seizures)

Source: Rensselaer Lee, "Recent Trends in Nuclear Smuggling", in: Russian Organized Crime: The New Threat?, ed. Phil Williams, Portland, Frank Cass & Co., 1997, p.110.

Although as of 1995 the stories of nuclear smuggling no longer made the headlines, the illegal trade had all but stopped.<sup>50</sup>

Table 3-10 below gives an overview of additional seizures from April 1995 through March 1996.<sup>51</sup>

<sup>50</sup> According to unclassified information accessible via the homepage of the *Bundespresseamt* (BPA), the total number of cases related to nuclear trafficking were 163 in 1995, and 77 in 1996. Although these figures indicate a decrease of 53 percent, they are still worryingly high. According to the BND, 16 of the 1995 cases involved states, with definitive proof that in two of them the active buyers were Iran and Iraq.

<sup>51</sup> Although there have been no seizures of nuclear material in the U.S., two cases involved conspiracies to import radioactive material into the U.S. In New York, U.S. Customs Service arrested foreign nationals attempting to negotiate the sale of 45 tons of radioactive zirconium metal. The material was seized in Cyprus. In another case, Canadian Customs Service intercepted radioactive isotopes originating in Russia being smuggled into the U.S. through Canada (Jim E. Moody, Deputy Assistant Director, Criminal Investigative Division, FBI, Hearing before the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs U.S. Senate, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, May 15, 1996).

**Table 3-10.—Seizures of Nuclear Materials, 1995-96**

<b>Date</b>	<b>Event</b>
<b>April 4, 1995</b>	6 kg of U-235, U-238, radium, and palladium are found in a Kiev apartment which is occupied by an army lieutenant colonel and a warrant officer; seized material reportedly was of Russian origin
<b>November 10, 1995</b>	Hungarian police discovers 26 kg of radioactive material in the trunk of a car; three suspects are subsequently arrested
<b>November 7, 1995</b>	Iranian press reports that Iranian law enforcement arrested five Iranians with nine packets of uranium in Teheran and two other cities; no further details on origin, amount, or enrichment level were given
<b>December 28, 1995</b>	Russian FSB arrests nine members of a criminal organization in Novosibirsk and seizes radioactive material that is according to press reports identified as U-235
<b>January 17, 1996</b>	A Palestinian in Dubai, UAE offers to sell 3 kg of reportedly Russian-origin red mercury to a Lebanese-American businessman
<b>February 23, 1996</b>	Belarussian KGB seizes 5 kg of cesium-133
<b>March 14, 1996</b>	Polish police arrests a man for possession of uranium in Bielska-Biala
<b>March 17, 1996</b>	Tanzanian police arrests one individual and seizes a container of radioactive cesium.

*Source:* Paul J Ljuba, "Organized Crime in Russia and United States National Security", Thesis, Naval Postgraduate School, Monterey, CA, 1996, p.49.

Beside the smuggling of weapons-grade substances, the trade with dual-use material constitutes an additional aspect of nuclear trafficking. In 1992-93 a large-scale transaction resulting in the shipment of 4.4 tons of beryllium from Yekaterinburg to Vilnius, Lithuania, provided evidence that established organized crime groups are involved in 'commercial' export of dual-use isotopes.<sup>52</sup> International markets for these substances are larger and better established than those for radioactive materials and criminal penalties for dual-use smuggling are less stringent. The above mentioned shipment reputedly was financed by Yuri Alekseyev, a Yekaterinburg businessman and political figure with close

<sup>52</sup> Nonfissile materials which are important in the construction of nuclear weapons, e.g.: hafnium, beryllium, zirconium.

ties to Yekaterinburg's criminal underworld. The *Sinyaki*, an important criminal group in Yekaterinburg, reputedly trades actively in strategic metals, including the dual-use categories.<sup>53</sup> Other observers believe that the largest Chechen gang in Moscow, the *Tsentral'naya* group, occasionally also trades in nuclear materials. While in the past most stolen nuclear materials were moved westwards, the Chechen connection indicates a possible shift towards Russia's Southern tier. With the Caucasus and Central Asia being traditionally hotbeds of organized crime and narcotics trafficking, the region could easily develop into a wide-open transit zone for would-be proliferators. (Lee, 1997, pp.114-15)

Even if traffic in weapons-grade materials could be successfully contained, widespread availability of toxic radioactive materials constitutes a significant threat in itself.<sup>54</sup> In the hands of terrorists, even ordinary reactor waste can become a weapon. Combined in a dispersal device together with conventional explosives, a bombing attack might contaminate a wide area. Certain powdered radioactive substances introduced into the ventilation of an office building such as the WTC could create massive fatalities. The question is whether the terrorist group can accomplish its aims most effectively with a nuclear device, a conventional bomb or a biological or chemical weapon. Fortunately, there are very few attempts at nuclear terrorism publicly known to date. One embarrassing attempt, however, occurred in the Russian capital itself. Russia's powerful Atomic Energy Minister, Victor Mikhailov, continuously denied that nuclear materials and components were falling into the wrong hands.<sup>55</sup> However, in late 1995 Shamil Basayev, a Chechen

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<sup>53</sup> The *Sinyaki*, sometimes called the third branch of the Sverlovsk mafia, after *Uralmash* and *Central Gang*, is based in Nizhny Tagil and Yekaterinburg. It appears to be an Islamic-influenced group, which maintains close contact with counterpart criminal organizations in the Caucasus, primarily in Chechnya, and the Central Asian States (Lee, 1997, p.114).

<sup>54</sup> For example cesium-137, cobalt-60, and strontium-90.

<sup>55</sup> Mikhailov was abruptly relieved from his duties on March 2, 1998. He was succeeded by Yevgeny Adamov. Since Adamov recently was on Mikhailov's team that went to Teheran to meet with Iranian officials, his appointment cannot be seen as a positive Russian signal in terms of nonproliferation. Mikhailov himself is not leaving the nuclear scene altogether. When he was still minister, he appointed himself the main scientific adviser at Arzamas-16, one of Russia's main nuclear weapons design centers. According to sources, who asked not to be identified, it is likely that Mikhailov's re-

military commander, arranged the burial and the subsequent discovery of a carrier bag full of cesium-137 on the grounds of Izmailovsky Park, just a few blocks from MINATOM headquarters.<sup>56</sup> Although obviously this attempt was only meant to deliver a warning, it demonstrated that in the Post Soviet Era regional warlords are able to access nuclear material.

In 1996, for a brief period, Lieutenant General Alexandr Lebed was Secretary of Boris Yeltsin's National Security Council.<sup>57</sup> Since one of his responsibilities was nuclear security, he ordered a check on the 132 'nuclear suitcase-bombs', that were supposed to be in the stockpile. Despite an intensive search, he could locate only 48. The remainder – 84 nuclear weapons– was missing.<sup>58</sup> Since no one knows where they are, it cannot be ruled out that they might have found their way into the hands of organized crime, waiting for the highest bidder. (Cockburn, 1997, p.251)

Unfortunately, nuclear smuggling is not the only field where evidence exists that even the highest levels of Russian forces are involved in illegal trade of WMD technology. Although charges were dropped against General Anatoly Kuntsevich, a senior officer in

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placement had more to do with allegations of corruption involving uranium sales and a subsequent power struggle within the Russian government (New York Times, March 3–5, 1998). Arzamas-16 is known as the place of origin of the super-grade plutonium seized in Tengen, Germany in 1994. Additionally, Mr. Mikhailov holds now the title of 'First Deputy Minister and chairman of the ministry's scientific council'. In an interview with Michael Gordon, New York Times bureau Moscow, he said that in the future he will focus on military nuclear issues (New York Times, March 17, 1998).

<sup>56</sup> The radiation exceeded Moscow's permissible levels by a factor of 310. On November 23, 1995 the Russian press reported that four containers of radioactive cesium-137 were missing from the Chelyabinsk Region (Cockburn, 1997, p.221).

<sup>57</sup> Yeltsin's supporters are trying to undermine Lebed's political prospects by crushing a mafia group that controls the aluminum industry and funds his presidential campaign (Cockburn, 1997, p.231).

<sup>58</sup> General Lebed's statement about the 'loss' of these weapons was also quoted by Rep. Ben Gilman (R-NY) in a Hearing of the House International Relations Committee on 'Organized Crime' on October 1, 1997.

charge of dismantling Russia's chemical weapons stocks, it was common knowledge that he had been selling the technology for advanced binary nerve gas weapons to Syria.<sup>59</sup>

### **3. The Nordex Corporation**

Set up in December 1989 in Vienna by Grigori Loutchansky, Nordex was one of the front companies created in the last years of the Soviet Union to generate hard currency for the KGB. In the last decade, Nordex spread across the globe, with offices from New York to Hong Kong. In Moscow, valuable partnerships emerged as well, including 'Glavsnab', a city government enterprise, as well as two transport firms, 'Intourtrans' and 'Intourservice'. Prime Minister Victor Chernomyrdin personally issued orders allowing Nordex to export raw materials.<sup>60</sup> Yuri Luzhkov, who is often traded as one of the possible successors for President Yeltsin, also enjoyed a profitable relationship with Nordex. In his capacity as the mayor of Moscow, Luzhkov controlled 'Glavsnab', the above mentioned city agency in partnership with Nordex, which for unexplained reasons transferred \$23 million in cash and interest-free loans to Nordex. This provides additional proof for the multiple relationship between politicians and criminals for the purpose of personal enrichment. (Cockburn, 1997, pp.112-13)

German intelligence officials noted in their respective file that "Nordex is an example of the enrichment of criminals and politicians at the expense of an economically and politically weakened state", and that "...there is much evidence to suggest that Nordex has subsequently evolved into at least a partially criminal organization." A further BND report spoke of evidence that pointed to involvement in "...the international

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<sup>59</sup> Shoko Asahara, leader of the Aum Shinri Kyo cult, claimed in court that he had bought the blueprints for his sarin factory from a senior defense adviser to President Yeltsin (Cockburn, 1997, p.232).

<sup>60</sup> In 1992 the city of New York received an unexpected offer from Russia. The Columbus Company of which Nordex was a shareholder, proposed to donate a giant statue of Christopher Columbus. The artist of 'choice' proposed to work with a high refined form of copper that is very expensive and normally reserved for use in the electronics industry. Russia had a large stockpile of this material, but its export was forbidden. Chernomyrdin authorized the export of 30,000 tons of copper, enough to build at least 30 of the proposed statues. The shipment was last seen on the docks in Rotterdam (Cockburn, 1997, p.112).



weapons trade as well as in narcotics and nuclear smuggling across the Baltic.”(Cockburn, 1997, pp.110, 113–114).

A major activity linked to Nordex is the large-scale beryllium deal of 1992–93, known as the ‘Vilnius case’.<sup>61</sup> Since the export of beryllium is illegal without special permission, again powerful support was required. Igor Vladimirovich Rudenko, then chief of the Materials and Technical Supply Department of the local nuclear research institute operated by MINATOM, contacted Yuri Ivanovich Alexeyev, a Yekaterinburg businessman and owner of Karate–Do, a Moscow based ‘sports organization’ with strong ties to organized crime.<sup>62</sup> Karate–Do provided for the financing of the operation with a volume of 30 million rubles. Rudenko, by using a MINATOM letterhead, send a phony purchase order to Obninsk and requested 4,000 kilograms of beryllium and nine kilograms of cesium to be shipped to a front company in Sverdlovsk, through which export licenses were duly obtained. The beryllium was shipped to a company called VEKA in Lithuania, and offered to an anonymous buyer in Zurich, who was willing to pay \$24 million, ten times the market price. Thanks to police intervention, the deal never was completed. Although intelligence agencies never could prove the identity of the mysterious buyer in Zurich, they expressed the firm conviction that Nordex was heavily involved in the deal.<sup>63</sup>

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<sup>61</sup> Beryllium is a gray metal lighter than aluminum but stronger than steel and very valuable (about \$600 per kilo). It is used in missile inertial guidance systems and other sophisticated electronics applications. Additionally, beryllium is an excellent neutron reflector, enabling a bomb designer to produce a satisfactory explosion with far less plutonium or U–235 than otherwise needed. Beryllium provides a most lucrative way for any country seeking to build an efficient weapon. For example, when the Indians began buying large amounts of beryllium in the late 1980s, the CIA concluded that India was about to build more sophisticated nuclear warheads (Cockburn, 1997, p.115).

<sup>62</sup> Among others to the *Tsentral'naya* (Cockburn, 1997, p.116).

<sup>63</sup> According to unconfirmed sources, the buyer was said to represent Korean interests (George J. Weise, Commissioner U.S. Customs Service, Hearing before the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs U.S. Senate, 104<sup>th</sup> Congress, 2<sup>nd</sup> Session, May 15, 1996).

The ‘Vilnius case’ was taken from: Zimmermann, Tim, and Alan Cooperman, “The Russian Connection”, U.S. News and World Report, October 23, 1995; and Cockburn, One Point Safe, pp.115–16.

Nordex, however, does not only deal in nuclear materials. Trying to satisfy its customers Nordex also offers delivery systems. In 1994 a cargo plane of the Nordex Corporation, en route from North Korea to Teheran, touched down at an airport in Ukraine. Inside the plane were launchers for Scud missiles. Former CIA Director John Deutch describes Nordex as 'an organization associated with Russian criminal activity.' (Cockburn, 1997, pp.115-19)

#### **4. Summary**

While interdicted smuggling incidents to date have been minor, nuclear trafficking remains a low-profile but potentially dangerous threat to international security. The record of thefts of weapons-usable materials from Russian facilities is disturbing, and evidence suggests that smuggling networks for such materials continue to spread. Given the existent demand in states such as Iran, Iraq, and North Korea, Russia's southern tier could easily develop into a widespread and nearly uncontrollable transit zone for potential proliferators. At the same time, Russian authorities, facing a great variety of challenges from established organized crime groups, seem to accord relatively low priority to combating nuclear crime. Even if Russian mafia gangs have not entered the nuclear market on a large scale to date, they already have a network and organization in place that can move anything -including fissile material. Bureaucratic disputes further undermine the effectiveness of Russia's export control system.

Economic hardships, decline of morale and discipline, and an increasing level of corruption in the Russian armed forces makes the access to willing insiders easy. It thus cannot be ruled out that parts of the nuclear arsenal or other WMD might get, or even are already in the hands of organized crime.

#### **F. CONCLUSION**

Russian organized crime, in its different metamorphoses, has been a history of responses by the legitimate structures to the presence of the former. In Russia's case, the weakness of the legitimate structures which evolved under autocratic rule accounted for

the readiness to negotiate with entities outside of the dominant system until economic inefficiencies led to the rapid decline of the Soviet regime, and organized crime became proactive.

The political and economic aspects of contemporary organized crime constitute a force that undermines the political as well as the economic stability of Russia and threatens its continued progress towards democracy and market economics. The collusion between parts of the former political nomenclature and economically powerful criminal groups represents a new form of authoritarianism. Unlike Soviet authoritarianism, which affected citizens only within its borders or sphere of influence, the international reach of post-Soviet organized crime intimidates individuals and states outside the confines of the FSU as well.

Today, an estimated 110 Russian mafia gangs operate in more than 44 countries worldwide. These groups are characterized by a complex structure that enables them to conduct sophisticated operations on an increasingly international level. Several of the larger organizations are already cooperating with other mafia groups such as the Yakuza, the Colombian Cartels, or the Italian Mafia. As criminal organizations and gangster bureaucrats position themselves to increase their political power and wealth, their business/criminal activities are likely to extend internationally.

Since 1991 Europe and the U.S. have already witnessed a remarkable increase in Russian organized crime. According to FBI Director Louis Freeh, Russian syndicates conduct the most sophisticated criminal operations ever seen in the U.S. (Washington Post, October 2, 1997). While most of the criminal activities encompass traditional mafia crimes, the exploitation of Russia's military-industrial complex adds new vistas to an already significant threat that can no longer be seen as a mere Russian domestic issue.

Whereas interdicted smuggling incidents to date have been minor, nuclear trafficking remains a low-profile but potentially dangerous threat to international security. Given the existent demand in states as Iran, Iraq, and North Korea, Russia's southern tier

could develop into a transit zone for potential proliferators. At the same time, Russian authorities seem to accord relatively low priority to combating nuclear crime.

Additionally, an increasing level of corruption in the Russian armed forces, caused by economic hardships and low morale, could encourage nuclear proliferation and enable organized crime groups to obtain nearly every weapons technology, including the whole WMD spectrum.

In a hearing before the House Committee on International Relations, held on October 1, 1997, FBI Director Freeh was asked if he believes the U.S. is under a greater threat "from nuclear detonation now than at the height of the Cold War." Freeh answered:

If you describe that detonation as a criminal or terrorist or rogue operation, I think the answer would be yes. The controls that were in place for many of these weapons and structures [during the Cold War] don't apply to a terrorist, or organized criminal, or an opportunist who could get access to them. (U.S. Congress, Hearing, October 1, 1997)

Although organized crime can undermine the sovereignty of a state, criminal organizations normally do not deliberately set out to do so. Indeed, organized crime prefers to ignore the country it operates in, as long as this host system does not threaten the criminal organization or business itself. When threatened by law enforcement, however, these criminal groups respond with every means available, to protect their operations. One possible course of action in this situation would be an alliance with terrorist groups.

The next chapter will thus discuss historical examples of these alliances and outline possible future trends.



#### IV. ALLIANCES AND COUNTER-STRATEGIES

*"To date this threat is becoming even more complex and difficult to counter as old and new bad actors take advantage of weak governments, new technologies, and rekindled ethnic rivalries."*

Former Secretary of Defense, William J. Perry<sup>64</sup>

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As the discussion in the previous chapters has shown, either of the criminal phenomena –postmodern terrorism and Russian organized crime– already constitutes a significant threat by itself. Any kind of an alliance between these is likely to disproportionately increase the overall threat to the national security of affected nations.

This chapter first analyzes some historical cases of alliance between terrorist groups and organized crime. The chapter will subsequently develop a model for possible future alliances between these two pillars of non-state originated threat, and finally will introduce counter-strategies.

##### A. EXCURSUS: NARCOTERRORISM

Any serious attempt to identify possible alliances between organized crime and terrorist groups sooner or later has to consider the narco-guerrilla connection in South America's Andean region.

Colombia and Peru are two major producers of illicit drugs. At the same time, both countries confront left-wing guerrilla movements. Since rural insurgency as well as drug production thrive in rugged areas where the central government is weak, the question is: Do drug traffickers and guerrillas simply coexist or do they collaborate? While many reports suggest collaboration, this marriage seems to be a tempestuous one. (Lee, 1991, p.155)

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<sup>64</sup> Quoted in: The Defense Science Board 1997 Summer Study Task Force, DOD Responses to Transnational Threats: Volume I—Final Report, Office of the Under Secretary of Defense For Acquisition & Technology, Washington DC, October 1997, p.57.

Since the evolution of the narco-guerrilla connection in the Colombian case offers a greater variety of interpretations, this subsection will focus on Colombia. It will first provide a brief historical background on the guerrilla movements and counter-insurgency attempts, and will then focus on the various aspects of narcoterrorism in Colombia. Similar developments within Peruvian narcoterrorism will also be discussed. While in both Latin American countries the narco-guerrilla connection constitutes a predominantly domestic security threat, the Colombian-Lebanese connection, which will be introduced later, suggests the existence of narco-terrorist cooperation on a transnational level. Finally, this subsection will discuss the salient elements of these different forms of collaboration, and the likely future alliances between organized crime and terrorist groups.

### **1. The Colombian Connection**

Cocaine came to Colombia in the mid-1970s. Unlike Peru or Bolivia, Colombia has neither land suitable for coca farming nor a history of coca use in its indigenous culture. Only about 15 percent of the coca leaf used in the business is grown in Colombia. The Colombians merely process the paste and export cocaine. When General Augusto Pinochet's crackdown drove cocaine traffic from Chile, the Paisas, who had requisite business skills and proximity to the U.S. market, took it over.

Pablo Escobar and Jorge Ochoa, the most important of the Medellín drug lords, began as two of hundreds of small-time traffickers...Escobar and Ochoa knew each other, but they did not pool their resources until 1981, when Ochoa's sister was kidnapped. The death squad they formed to kill the kidnappers was the first in a series of collaborations that knitted them together into the Medellín Mafia....(Rosenberg, 1992, p.33)

As the following section will show, however, the formation of a counter-insurgency movement through the build-up of death squads, is only one aspect of a most complex connection between drugs and terror in Colombia.

#### ***a. Brief Historical Background of Colombia's Guerrilla Movement***

In contrast to the usual pattern found in Latin America, Colombia has a long history of civilian rule and control over the armed forces. While it remained the

bearer of one of the strongest democratic traditions in Latin America, it nevertheless was and still is subject to recurrent bouts of political violence and terrorism. Instead of civilian-military conflict, Colombia experienced a long lasting violent conflict between the dominant political parties.<sup>65</sup> The climax of this conflict –*La Violencia*, a rampant civil war between the Liberals and the Conservatives– resulted in over 200,000 deaths between 1948 and 1966. The end of *La Violencia*, however, brought no political peace to Colombia, but instead gave birth to the oldest active guerrilla groups in Latin America. (Hanratty, 1990, pp.xxiii–xxv; Gantiva, 1997, p.46)

In the 1960s, three major left-wing guerrilla organizations, the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*—FARC), the National Liberation Army (*Ejército de Liberación Nacional*—ELN), and the Popular Liberation Army (*Ejército Popular de Liberación*—EPL), together with several smaller groups established bases in the Colombian countryside.<sup>66</sup> In the 1970s, a fourth major organization, the 19<sup>th</sup> of April Movement (*Movimiento 19 de Abril*—M-19), commenced urban operations. (Hanratty, 1990, p.xxvi) –Table 4–1 below gives an overview of Colombian guerrilla groups.

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<sup>65</sup> Colombia experienced only three military dictatorships in its history: in 1830 (for eight months under General Rafael Urdaneta), in 1854 (for less than a year under General José María Melo), and in 1953. The last military government was replaced in 1957, after elements of the armed forces had forced the then ruling General Gustavo Rojas Pinilla into exile (Hanratty, 1990, p.xxiii).

<sup>66</sup> FARC: Established in 1966 as the military wing of the Colombian Communist Party. Its goal is to overthrow the government and ruling class. Organized along military lines; includes 61 rural, 12 urban fronts, and four companies. It trafficks in drugs and has well-documented ties to narco-traffickers (U.S. Department of State, Patterns of Global Terrorism—1996, Washington DC, Government Printing Office, 1997, p.64).

ELN: Rural-based, anti-US, Maoist-Marxist-Leninist guerrilla group formed in 1963. The attempted peace talks with the Colombian government ended in 1992. Includes 32 rural and 11 urban fronts, and 3 companies. ELN specialized in periodic kidnappings of foreign employees of large corporations for large ransom payments, as well as in extortion and bombings against US and other foreign businesses (U.S. Department of State, Patterns of Global Terrorism—1996, Washington DC, Government Printing Office, 1997, p.57).



**Table 4-1.—Colombian Guerrilla Groups**

Group	Status	Tactics
<b>FARC</b>	Offshoot of UP party legalized in 1985; severed ties later. Broke numerous peace agreements.	Rural campaigns; attacks on military targets; kidnappings.
<b>M-19</b>	Abandoned armed struggle in 1989; won national seats in 1990 elections	Spectacular urban operations, including attack on Palace of Justice.
<b>ELN</b>	Ignored 1984 peace efforts, but entered negotiations in 1989	Attacks on petroleum installations
<b>EPL</b>	Participated in 1984 peace negotiations	Maoist philosophy; endorses "long popular war."

*Source:* Kevin Jack Riley, The Implications of Colombian Drug Industry and Death Squad Political Violence for U.S. Counternarcotics Policy, Santa Monica, RAND Corporation, 1993, p.28.

The guerrillas sought to undermine public order through kidnappings, murders, robberies, assaults on military and police facilities, as well as through the destruction of key economic installations. Although military counter-insurgency operations placed the guerrillas on the defensive in the late 1960s and early 1970s, they regained much of their strength in the late 1970s. To counter this threat, President Julio César Turbay Ayala employed his state of siege powers in 1978 to decree the National Security Statute.<sup>67</sup> Despite his stringent policy, Ayala did not succeed in reducing the scope or intensity of guerrilla operations. His successor, Belisario Betancur Cuartas, proposed a political rather than a military solution to the guerrilla problem. Under the terms of the 1984 'National Dialogue', the FARC, EPL, and M-19 signed cease-fires that were tailored to allow their reincorporation into national life. As a part of the peace process the FARC, for instance, established the Patriotic Union (*Unión Patriótica*—UP), a political front which participated in national elections. But the guerrillas, who were

<sup>67</sup> The statute gave expanded arrest powers to the armed forces, granted military tribunals jurisdiction over several crimes, and subjected the media to censorship (Hanratty, 1990, p.xxvi).

allowed to keep their weapons, soon violated the cease-fire.<sup>68</sup> The 'National Dialogue' ended, when M-19 commandos stormed the Palace of Justice building in Bogotá on November 6, 1985. During the attack and in the ensuing counterattack by the army more than 100 people, among them 11 Colombian Supreme Court Justices, were killed. While the M-19 abandoned the armed struggle in the early 1990s to participate in civilian politics, the other major guerrilla organizations are still active. The FARC remains the largest guerrilla organization and has taken control of nearly the entire southern Colombia. Despite the worldwide decline of communism, the communist insurgents of both, the FARC and the ELN can still muster an impressive force. Depending on the source, the numbers of their troops vary significantly.<sup>69</sup> (Hanratty, 1990, p.xxvi).

As Table 4-2 below shows, the most significant increase in membership between 1978 and 1996 occurred after 1982. The reasons for this development are threefold. First, the armistice offered under the administration of President Betancourt obviously was used for reconstitution on the part of the guerrilla groups.<sup>70</sup>

Second, in the early 1980s, the guerrilla leaders became aware of the necessity of acquiring additional sources of financing, which in turn led them to seek an understanding with the narco-traffickers. In return for financial support granted by the drug-lords, guerrillas started to provide security and protection for the traffickers. Finally, the increased use of political violence and the appearance of right wing counter-

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<sup>68</sup> Both sides -the military and the guerrillas- repeatedly violated the cease-fire (Hanratty, 1990, p.300).

<sup>69</sup> Whereas Table 4-2 offers a more conservative (official) of the respective development of the membership of these two groups, other sources speak of up to 15,000 troops of the FARC and 4,000 guerrillas in the ELN (Deutsche Presse Agentur, December 31, 1997).

<sup>70</sup> A behavioral pattern that could also be found in Argentina, when guerrillas took advantage of the opportunities offered by the 1973 amnesty under the administration of President Héctor Cámpora to establish a variety of mass fronts. For a detailed and thorough discussion of Argentina's armed struggle see Maria José Moyano, Argentina's Lost Patrol: Armed Struggle, 1969-1979, New Haven, Yale University Press, 1995.

insurgency groups in turn caused the left-wing guerrillas to increase their own efforts. (Reyes, 1996, pp.9-11)

**Table 4-2.—Guerrilla Membership in Colombia, 1978–1996**

<b>GROUP</b>	<b>1978</b>	<b>1982</b>	<b>1986</b>	<b>1990</b>	<b>1994</b>	<b>1996</b>
<b>FARC</b>	1,200	1,800	4,000	5,800	6,800	5,700
<b>ELN</b>	190	230	1,800	2,600	3,150	2,500
<b>EPL</b>	100	350	1,400	1,250	550	450
<b>M-19</b>	750	300	1,200	1,200	100	80
<b>TOTAL</b>	<b>2,240</b>	<b>2,680</b>	<b>8,400</b>	<b>9,650</b>	<b>10,600</b>	<b>8,730</b>
Change (1978=100%)		19.64	275	330.8	373.2	289.73

**Note:** Years correspond to the beginning (end) of presidential terms.

*Source:* Diego A. Gantiva, and Marco A. Palacios, "The Peace Processes of Colombia and El Salvador: A Comparative Study", *Thesis*, Naval Postgraduate School, Monterey, CA, 1997, p.54.

Since the evolution of a right-wing counter-insurgency has been identified as one reason for the growth of the left-wing guerrilla movement, the following subsection will briefly introduce this element of political violence in Colombia.

#### ***b. Private Counter-Insurgency—The Death Squads***

Particularly in the vast remote areas of the country the absence of effective protection from guerrilla crimes gave parts of the population reason to develop a counter-insurgency project consistent in the formation of private self-defense groups. In the late 1970s and early 1980s, however, these groups, illegally armed, and called paramilitary by the guerrillas, began to modify their tactics away from defense and toward preemptive attacks against the guerrilla groups, eventually earning them the nickname "Death Squads". In the presence of large narco-trafficking organizations, many of these paramilitary groups eventually developed into armed organizations to defend the drug dealers' interests. If it is true that an alliance developed between narco-traffickers and

left-wing guerrillas, the former, most likely, must sooner or later have become subject to extortion by the latter. With the narco-trafficker's support of the counter-insurgency, however, the relationship more and more turned into an armed confrontation between both criminal organizations. (Gantiva and Palacios, 1997, p.76)

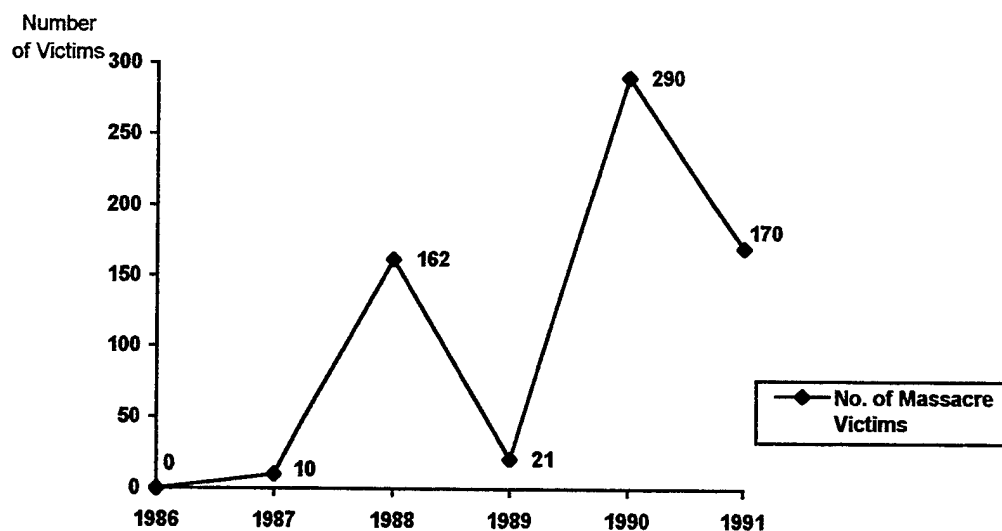
Rensselaer Lee defines the resulting pattern of violence between the various antagonists as "vigilantism"—establishment violence—which in the case of Colombia received a tremendous stimulus from the rise of the cocaine trafficking elite. The actual transition from self-defense from guerrilla attacks to death squad attacks against the rebels can be linked to the 1981 kidnapping of the sister of a drug-cartel member by M-19 guerrillas. In response to this event and the subsequent demand for \$1 million in ransom, 223 drug lords met in Medellín in an attempt to put an end to kidnapping and extortion of cartel members by guerrillas.<sup>71</sup> The meeting resulted in the formation of the MAS—*Muerte a Secuestradores* (Death to Kidnappers)—which received an initial contribution of \$4.5 million by the drug lords. Over the next three months, the MAS claimed responsibility for more than 100 assassinations in retribution for M-19's kidnapping. (Lee, 1991, pp.162-63)

The violence that emerged out of this process has particularly grown since the late 1980s, cutting across social, economic, and political lines. The links between the drug industry and death squads generally fall into one of three broad categories: finance, training, or logistics. (Riley, 1993, p.26)

Figure 4-1 below gives an overview of the total number of victims of death squad massacres.

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<sup>71</sup> The kidnapped was Marta Nieves Ochoa, sister of Jorge Ochoa of the Medellín cartel, who in turn called for the conclave of drug lords. Marta Ochoa was released unharmed in February 1982 (Lee, 1991, p.162).



**Figure 4-1.—Victims of Death Squad Massacres, 1986–1991**

*Source:* Kevin Jack Riley, The Implications of Colombian Drug Industry and Death Squad Political Violence for U.S. Counternarcotics Policy, Santa Monica, RAND Corporation, 1993, p.28.

Initially the purpose of death squad activity was the elimination of the guerrillas and their support networks. Later, however, the assassinations began targeting nearly everyone who opposed narco-trafficking, such as journalists, priests, members of the armed forces, judges, and government officials. Drug traffickers increasingly supplemented the death squad assassinations of government officials with their own hit squads. (Riley, 1993, pp.22–23)

Table 4-3 below shows the distribution of attacks among levels of government for the drug industry and the death squads.

**Table 4-3.—Assassinations Among Levels of Government**

LEVEL OF TARGET	DRUG TRAFFICKERS	DEATH SQUADS
National	83%	3%
Departmental	—	10%
Local	17%	87%
Total	100%	100%

*Source:* Kevin Jack Riley, The Implications of Colombian Drug Industry and Death Squad Political Violence for U.S. Counternarcotics Policy, Santa Monica, RAND Corporation, 1993, p.23.

While drug traffickers concentrate their assassinations on the national level and hence conduct their homicides predominantly in the larger cities, the death squads murders are concentrated at the local and departmental levels of government. The multifold pattern of political violence in Colombia, however, does not only constitute an attack on the political structure of the country, but also threatens to tear apart the social fabric of its society. In response to this threat against its national security, in 1996 Colombia committed its armed forces to fight what today primarily is referred to as narcoterrorism.

*c. The Colombian Narco-Guerrilla Connection*

According to Lee, evidence to date does not clearly suggest the existence of a narco-guerrilla connection, and to some extent even points in the opposite direction. As Lee writes,

Drug dealers, especially the larger operators, hold some anti-establishment views; they are strongly anti-U.S., and they favor a more egalitarian social structure. However, as landowners, ranchers, and owners of industrial property (including cocaine laboratories), dealers are far more closely aligned with the traditional power structure than with the revolutionary left—indeed, they tend to perceive the latter as a mortal threat. (Lee, 1991, p.12)

The foundation of the death squads, and the financial support provided to them by the drug traffickers, support this view. The development of a narco-guerrilla connection, however, is a much more complex process. And in its consequences this evolution led to the phenomenon that is nowadays known as narcoterrorism.

If there ever was a real alliance between drug lords and left-wing guerrillas, its first appearance most probably can be dated back to the period following the declaration of a state of siege in November 1978. For the following 16 months, President Turbay implemented the first major campaign against narco-trafficking and dispatched a 12,000-man army brigade to destroy marijuana fields in the countryside and arrest traffickers. At the same time the navy blockaded the coastlines to cut off narcotics

shipments to the U.S. Upon assuming the presidency in 1982 Betancur adopted a somewhat softer policy than his predecessor. His response to the guerrilla problem was the opening of the 'National Dialogue'. At the same time, however, Betancur's minister of justice, Rodrigo Lara Bonilla, aggressively pursued traffickers and authorized raids on the Medellín Cartel's principal cocaine-processing complexes.<sup>72</sup> Apparently in reprisal for the successful raid on the Tranquilandia complex, Lara Bonilla was assassinated in April 1984. In turn Betancur invoked his state of siege powers, declared a "war without quarter", and launched massive antinarcotics police operations. (Hanratty, 1990, pp.308-09)

Law enforcement pressure on the drug lords increased significantly. The drug cartels responded in kind. In December 1986, a hit squad of the Medellín Cartel traveled to Budapest and seriously wounded Enrique Parejo González, Colombia's ambassador to Hungary and Bonilla's successor as minister of justice during the Betancur administration. One month later, gunmen employed by the cartel assassinated Attorney General Carlos Mauro Hoyos Jiménez and kidnapped Andrés Pastrana, a candidate for mayor of Bogotá and son of former President Misael Pastrana (Hanratty, 1990, pp.309). There are indications that during this period an initial clandestine alliance between guerrillas and narco-traffickers was established. Guerrilla leaders were aware of the necessity of acquiring additional sources of financing, which in turn led them to seek an alliance with the narco-traffickers. In return for financial support granted by the drug-lords, guerrillas started to provide security and protection for the traffickers, which was welcomed in times of increased antinarcotics operations. While they were benefiting from the cease-fire provided by the 'National Dialogue', the guerrillas were in a phase of reconstitution and had the resources available to provide the diversionary action desired by the drug traffickers. Additionally, as Martha Crenshaw points out, "...terrorism may [also] serve internal organizational functions [as for example]...morale building within the terrorist group...." (Crenshaw, 1981, p.387), a function whose importance increases during an armistice. Although a connection between drug traffickers and guerrillas never

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<sup>72</sup> On one occasion, authorities found clear evidence of the presence of the FARC (Lee, 1991, p. 171).

could be proven, in the case of M-19's 1985 attack on the Palace of Justice, the combination of place, time, and victims points to more than mere coincidence.

Since most narco-traffickers are not revolutionaries, and hence seek to buy into and to manipulate the political system, but not to radically change it, it can be assumed that the drug lords expected the marriage with the guerrillas to lead quickly to divorce. Given the relative armed power of both criminal organizations, guerrillas and drug cartels, however, it is likely that this early alliance soon was exploited by the guerrillas, who saw the resources provided by the narco-traffickers as a powerful engine for their revolution. Thus, financial support provided by the cartels for protection soon led to extortion, kidnapping for ransom, and taxation on the part of the guerrillas. This process in turn gave birth to the private counter-insurgency outlined above.

The process that led to contemporary narcoterrorism was fueled by dynamics which evolved out of the relationship itself. Guerrillas successfully tried to extort and tax drug traffickers. In response death squads, sponsored by the drug cartels, massacred guerrillas, and civilians who often found themselves in the crossfire. Whenever the situation demanded unity, however, both criminal organizations orchestrated their efforts to combat the legitimate structures. As a result, Colombia's administration faced two wars—one against guerrilla groups and the other against narco-traffickers.

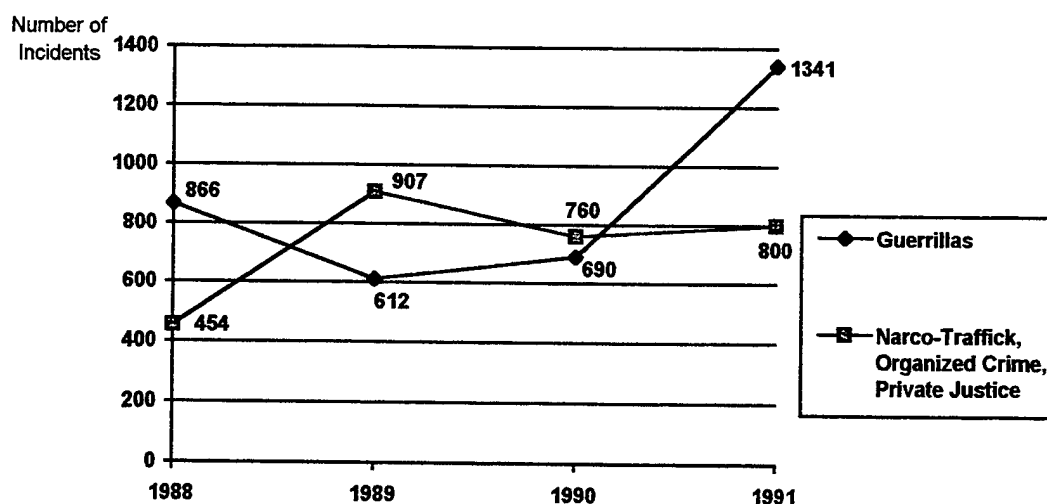
Figure 4-2 below shows this dynamic of violence, which is characterized by a reactive pattern with two intersections. In the years 1989 and 1990 drug cartels and related crime groups were the main agents of violence. This period marks a high of right-wing (paramilitary) and drug cartel related violence, predominantly expressed by killing UP members.<sup>73</sup> After 1991, guerrilla groups, particularly the FARC, increased their violent activities again. This development can be linked to a phase of financial

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<sup>73</sup> Political wing of the FARC. Other political assassinations included three presidential candidates: Bernardo Jaramillo of the UP, the Liberal Luis Carlos Galán, and Carlos Pizarro of ADM-19 (*Acción Democrática M-19*—Democratic Action M-19). All three homicides were reportedly carried out on narco-traffickers' orders (Gantiva and Palacios, 1997, p.81).



consolidation of the guerrilla movement, predominantly via an increasing involvement in cocaine trafficking.<sup>74</sup>



**Figure 4-2.—Armed Violence in Colombia, 1988–1991**

Source: Diego A. Gantiva, and Marco A. Palacios, "The Peace Processes of Colombia and El Salvador: A Comparative Study", *Thesis*, Naval Postgraduate School, Monterey, CA, June 1997, p.80.

The guerrillas' approach in this context is characterized by their attempt to exploit all narco-production assets in territories under their control. While initially they were more successful in taxing the upstream phases of the cocaine trade (cultivation and low-level processing) than the more lucrative downstream phases (refining and exporting), the FARC seems currently involved in all levels of the cocaine trafficking business. Since the leading trafficking syndicates apparently have the resources, the weaponry, and the will to protect their refining and export operations against guerrilla groups, the FARC most likely has created its own drug cartel.<sup>75</sup> (Lee, 1991, p.13)

<sup>74</sup> While the FARC focused on drug trafficking, the ELN concentrated on natural resource extortion, particularly the petrol sector, which since 1991 has become a primary target for their terrorist activities (Gantiva and Palacios, 1997, p.81).

<sup>75</sup> According to David Spencer, the FARC, has fully embraced narco-trafficking as its primary source of income. It provides security for drug laboratories, charges taxes on drugs transported in and out of the regions it dominates, and sets up its own drug labs for processing coca paste (*Jane's Intelligence Review*, October 1997, p.475).

Table 4-4 below underlines this evolution and summarizes the taxes imposed by the guerrillas.

**Table 4-4. —Guerrilla Taxes on Colombian Cocaine and Heroin Industry, 1994-95**

ACTIVITY	TAX AMOUNT
Cultivation	10,000 pesos per hectare per month
Processing	5,000 pesos per kilo produced
Export from trafficking zone	20,000 to 30,000 pesos per kilo shipped
Operation of laboratory	Up to 12 million pesos per month
Use of airstrip	10 million pesos per month
Import of chemicals into zone	1,000 pesos per liter
Import of gasoline into zone	1,000 pesos per 55-gallon drum

Source: Patrick L. Clawson, and Rensselaer W. Lee III, *The Andean Cocaine Industry*, New York, St. Martin's Press, 1996, p.179.

The figures in Table 4-4 amply support the view that income received from narco-trafficking as of the mid-1990s provides for a significant—in the case of the FARC for the largest—amount in guerrilla groups' revenues. Table 4-5 summarizes the total income of the two left-wing guerrilla groups most involved in narco-trafficking.

**Table 4-5. —Guerrilla Financing, 1994**  
(Money Amounts in Millions of US-\$)

Source	Organization	
	FARC	ELN
Extortion	222	222
Natural Resources		
Extortion	—	270
Kidnapping	87	106
Budget Deviation	51	9
Narco-trafficking	575	102
<b>TOTAL</b>	<b>935</b>	<b>709</b>

Source: Rubén D. Mestizo Reyes, "State Strength and Guerrilla Power: The Equilibrium between the Colombian Government and the Guerrilla Groups", *Thesis*, Naval Postgraduate School, Monterey, CA, December 1996, p.37.

With international communism being largely a spent political force, guerrillas are abandoning their communist ideology and are more and more behaving like common criminals. One can argue that the FARC has indeed become a narco-terrorist group.<sup>76</sup> Under these circumstances, anti left-wing coalitions are likewise losing their ideological threat and momentum. Although they are still financed by dealers, narco-paramilitaries nowadays constitute a lesser threat than in the 1980s and early 1990s. The modern generation of traffickers controls powerful armed wings to protect their interests, and exercises even greater power by increasing its manipulation of legislators and government officials behind the scenes.<sup>77</sup> (Clawson, 1996, p.190)

The Colombian example of a narco-guerrilla connection thus leads to the conclusion that the likelihood of alliance or convergence of objectives between traffickers and guerrillas seems greatest when traffickers are weak, disorganized, or under severe pressure from the authorities. Cooperation was sought when the guerrillas could substitute for the cartels' weakened capability to commit terrorist acts.<sup>78</sup> Thus, in Colombia, where drug traffickers and guerrillas share the same territory, occasional alliances of convenience seem to be almost inevitable. (Clawson, 1996, p.190)

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<sup>76</sup> Thanks to this evolution and other lucrative deals with drug cartels, the FARC today is state-of-the-art equipped and more than a match for the Colombian forces: On October 19, 1997, FARC rebels, in a single clash with the counternarcotics police, shot down five helicopters (BBC—Summary of World Broadcasts, October 22, 1997; *Source*: Radio Caracol, Bogotá, 1200 GMT, 20 October 1997). In another clash in the first week of March 1998, 70 soldiers of a Colombian elite unit were killed in an ambush. The 24-hour battle that took place in an unidentified "remote region that is a center of Colombia's cocaine trade", resulted in 30 government casualties (The Monterey County Herald, March 6, 1998).

<sup>77</sup> On November 20, 1997, for example, Colonel Guillermo Rubio, Commander of Intelligence Brigade No 20 was removed from his post on the basis of his alleged links with drug-cartel sponsored paramilitary groups (BBC—Summary of World Broadcasts, November 22, 1997; *Source*: Inravision TV1, Bogotá, 1730 GMT, 20 November 1997).

<sup>78</sup> For example, during 1993 an intense government assault on the military arm of the Medellín cartel may have impelled Pablo Escobar to make tactical arrangements with guerrillas to continue his war against the state. Reportedly Escobar hired ELN 'urban commandos' on various occasions to place car bombs near government buildings. Similarly, the Colombian crackdown on the Cali cartel might induce some Cali leaders to commandeer guerrilla support for a new narcoterrorist campaign against the authorities (Clawson, 1996, p.191).

As the Colombian example has shown, once an alliance has occurred the relationship's own dynamics can lead to the evolution of new criminal wings on each side of the coalition. From the perspective of the legitimate structures, this process gave birth to a criminal metamorphosis that caused the Colombian government not only to fight two wars—one against drug syndicates, now having a terrorist wing at their disposal, the other against guerrillas, now themselves involved in drug trafficking—but also to commit their regular armed forces to combat an internal security threat.

## 2. Peruvian Narcoterrorism

Once the center of the powerful and wealthy Inca Empire, Peru in the early and mid 1990s was an impoverished, crisis-prone country trying to cope with major societal, economic, and political changes. Although economic hardships continued to constitute a major concern for Peruvians, about 68 percent of the citizens polled in a 1990 survey identified the terrorist organization of the Maoist-oriented Communist Party of Peru—Shining Path (*Partido Comunista del Perú-Sendero Luminoso*—PCP–SL, hereafter SL) as the nation's most serious problem.<sup>79</sup> Despite a major blow to SL, caused by the capture of founder and leader Abimael Guzmán in September 1992 and the subsequent arrests of a large part of its leading cadres, its terrorist capability and clandestine military structure remained largely intact and continued to pose a serious threat. By the end of 1992, SL's

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<sup>79</sup> In 1991, the British newsletter Latin American Special Reports ranked Peru as the Latin American country with the region's highest percentage of poor (60 percent) (Hudson, 1993, p. xxxv).

*Sendero Luminoso* was founded in early 1970 by then university professor Abimael Guzmán in Ayacucho, a highland department in the southwestern Peruvian Andes, and one of the poorest and most underdeveloped regions in Peru. SL is considered one of the world's most ruthless guerrilla organizations. Its goal is to destroy existing Peruvian institutions and replace them with a peasant revolutionary regime. SL engages in particularly brutal forms of terrorism, including the indiscriminate use of bombs. It is involved in the cocaine trade. SL consists of 1,500 to 2,500 armed militants and a large number of supporters, mostly in rural areas. As of October 1992, women constituted a reported 56 percent of SL's leadership (U.S. Department of State, Patterns of Global Terrorism—1996, Washington DC, Government Printing Office, 1997, pp.65–66; Hudson, 1993, p.xliv; Tarazona, 1990, p.4).

terrorist campaign, which had started during Peru's democratic elections in May 1980, already had caused the death of a total of 28,809 people. (Hudson, 1993, p.xxxv)

Table 4-6 below shows the numbers of fatalities caused by political violence in Peru between 1990 and 1992.

**Table 4-6. —Victims of Political Violence in Peru, 1990-1992**

YEAR	NUMBER OF DEATHS
1990	3060
1991	3400
1992	3101

*Source:* Rex A. Hudson, ed., Peru: A Country Study, Washington DC: Federal Research Division, Library of Congress, 1993, p.xxxv).

By the early 1990s, more than 50 percent of the Peruvian population was living in "emergency military zones," where the security forces operated without accountability to the central government. The rural residents were caught between the fronts, exposed to the brutal campaigns of both sides which terrorized them for any perceived sympathy to, or collaboration with, the other side. While the basic SL strategy was to "win" the countryside, and then to "encircle" and "strangle" Lima, it has lost most of the peasant support it once had. In fact, legally recognized self-defense units for villages—*rondas campesinas* (peasant patrols)—began to form, similar to the ones described in Colombia. In the Peruvian case, however, as of 1992 these units were increasingly supported by the central government and not—as in the Colombian example—by drug lords. (Hudson, 1993, pp.xxxv-xxxvii)

Evidence of a narco-guerrilla connection in Peru has become particularly apparent since the capture of Guzmán in September 1992, Peruvian forces were able to seize a variety of guerrilla records that indicate connections to the narco-traffickers. In August 1993, for instance, an "Economic Balance of the Shining Path", dated March 1991, was seized. In its daily detailed information on income and expenses, it showed charges of \$3,000 to \$7,000 per flight for drug planes leaving the Upper Huallaga Valley—Peru's

center of coca cultivation and cocaine-paste manufacturing centers. After his arrest, Peru's most important drug trafficker, Demetrio Limoniel Chavez Penaherrera, confirmed that he had supplied SL with arms and had paid "taxes" of \$5,000 per flight plus \$3.00 per kilogram paste or \$6.00 per kilogram base respectively. The "Red Path" faction, a splinter group of SL under Oscar Alberto Ramírez, is primarily financed by narco-traffickers. According to arrested drug traffickers and former SL members, Ramírez had collected \$200 million by early 1994. Weapons and communications gear captured in battles against Ramírez's gang in November 1994 came from the drug trafficking group of Walso Vargas. (Clawson, 1996, p.181)

The drug traffickers who financed SL, however, did not seek to do so for reasons of any strategic alliance, but because they were too weak to resist effectively the guerrillas' exactions. Compared to Colombian cartels, Peruvian trafficking groups are relatively weak, disorganized, and dependent on the leadership, technical advice, and armed support of the former. Furthermore, nearly all of Peruvian cocaine base is sold to Colombians. Consequently, Peruvians do not obtain the value added in transporting cocaine to overseas markets. Additionally, because of the Colombians' domination in the Andean area, Peru's narco-traffickers never developed exporters associations—that is cartels— or a self-conscious narco-establishment. Lacking an independent organizational pattern, they consequently failed to develop an effective common strategy against SL. Whereas the trafficker-guerrilla balance of power in the Huallaga Valley clearly favored the SL, it cannot be forgotten that both sides shared the common strategic goal of the reduction of law enforcement in the area. This common objective became particularly apparent in periods of coca eradication programs, for example between 1983 and 1989. (Clawson, 1996, pp.181-83)

### **3. The Lebanese Connection**

In its 1996 International Narcotics Control Strategy Report, the U.S. State Department stated that "Lebanon appears to have won the fight against illicit crop cultivation due to the joint Lebanese-Syrian eradication efforts since 1992." (Quoted in

The Washington Times, September 1, 1997) Intelligence sources, on the other hand indicate that the cultivation of illicit crop may not be necessary any longer, since the raw materials arrive in Lebanon from South America and the Far East. Cocaine hydrochloride and other chemicals required for wholesale production predominantly flow in from Colombia and Peru. Thus Lebanon, which has long been known as a major source of locally grown drugs, has now become a major manufacturing base for narcotics. The South American supply network in turn is maintained through the active participation and connections of Lebanese expatriates. According to Drug Enforcement Administration (DEA) agents, Rawi Hariri, son of wealthy Lebanese President Elias Hariri, is among the more prominent supply dealers. (Atlas, The Washington Times, September 1, 1997, p.21)

While the manufacturing takes place in several dozen laboratories in Lebanon's Bekaa Valley, the refined drugs are shipped to the U.S. and Europe via the sea and airports of Beirut, the Libyan capital of Tripoli, and Sidon. DEA estimates the 1996 turnover in the region at more than \$12 billion. Of greater concern than the flow of drugs, however, is the fact that large amounts of the turnover are used to provide heavy financial support to the terrorist organization Hezbollah.<sup>80</sup> According to a senior Israeli intelligence source, "There is an unholy alliance between drug manufacturing and trafficking to the West, mainly the United States, and the terror organizations in Lebanon. Especially the Hezbollah...." (The Washington Times, September 1, 1997)

According to antinarcotics sources, Lebanon's major participation in the international drug trade is not new. Back in 1988, Pablo Escobar of the Medellín drug cartel reportedly cut a deal with Syrian military and intelligence figures. International antinarcotics sources speak of evidence that part of this deal involved Syria dispatching terrorist experts from the Talbaya and al-Marji camps in the Bekaa to South America to

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<sup>80</sup> Hezbollah: Literally "The Party of God", created in 1982 by Iranian military intelligence. Hezbollah covers the whole spectrum of terrorist tactics: assassinations, bombings, hijackings, kidnappings, paramilitary attacks, and suicide bombings. Hezbollah is known to have training camps and maintain cells throughout the Middle East, the U.S. and Western Europe (The Washington Post, September 1, 1997; for a detailed description see Hala Jaber, Hezbollah: Born with a Vengeance, New York, Columbia University Press, 1997).

teach sophisticated terrorist tactics to the armed wings of the drug cartels. More recently, however, Western intelligence has confirmed "...that the Lebanese drug trade has branched out to expedite an ideologically based strategy by Islamic extremists to wage a narcoterrorist and economic war against the United States and the West in general." (The Washington Times, September 1, 1997, p.21)

According to Colonel Reuven Erlich, deputy director of Israeli government activities in Lebanon, who testified before a special session of the Knesset's War against Drugs Committee on June 16, 1997, "Hezbollah has enough money from this [drug] production to maintain the organization." Colonel Erlich further declared that "...there is a [definite] link between drugs and terror." (The Washington Times, September 1, 1997, p.21)

Intelligence sources in both the Middle East and the U.S. are said to be on full alert as fanatical and well-financed Hezbollah agents are likely to spread out across the globe to strike at the U.S. and its allies—foremost among them Israel—with terrorism and drugs. While terrorist actions against Israel seem not to be of particular strategic importance to Colombian or Peruvian drug cartels, the targeting of the U.S. most likely is.

#### **4. Implications**

As the previous discussion has shown, profiteering drug cartels with their tremendous financial resources provide modern weaponry and funds to ideologically driven terrorists. Although each side ultimately seeks different ends, in the short, and sometimes mid term, each benefits from the association.

As the Colombian example has shown, the likelihood of alliance or convergence of objectives between traffickers and guerrillas seems greatest when traffickers are weak, disorganized, or under severe pressure from the authorities. Cooperation was sought when the guerrillas could substitute for the cartels' weakened capability to commit terrorist acts. As the Colombian case has further shown, once an alliance has occurred the relationship's dynamics can lead to the evolution of new criminal wings on the side of each coalition partner. Narcotics traffickers have adopted terrorist tactics to maintain the flow of drugs.



At the same time guerrillas use drug money to fund their operations and obtain the latest weaponry and sophisticated technology. In Colombia, after a period of mutual massacres, the balance of power between drug cartels and guerrillas led to a quasi-equilibrium and most likely to some kind of territorial arrangements.—For the Colombian government it led to two different wars.

The Peruvian case is less complex, since due to the lack of coordinated counter-efforts on the side of the drug traffickers, the guerrillas remained the dominant organization.

More disturbing is the transnational pattern of the Lebanese connection. Here, the fusion of money and fanatical hatred is likely to provide for an explosive mixture. Since Hezbollah is not in a position to question the influence of its cartel backers, this marriage seems to be less complicated.—For law enforcement agencies in affected countries, however, it is a most dangerous one.

In the examples introduced, the existence of different long term objectives did not exclude short or mid term alliances as long as they served the common goal of saturating law enforcement agencies involved in counter-operations. Thus, evidence exists that under specific circumstances organized crime and terrorists may seek alliances which otherwise seem unlikely. The chance of a continuous cooperation is greater if either organization can remain dominant, or if the partners in question are not in mutual criminal competition in terms of territory or business.

## **B. FUTURE ALLIANCES**

As the previous discussion of the phenomenon of narcoterrorism has shown, the use of terror tactics by transnational criminal organizations and their links with terrorist and guerrilla organizations are already existing threats and give reason for concern.

The following subsection will first discuss at an abstract level the salient elements that may lead to such an alliance. It will then introduce a “decision making model” that can be used to identify processes which may lead to similar future alliances between organized

criminal groups and terrorist organizations. Finally, this subsection will discuss the determining factors of possible future alliances.

### **1. Transnational Organized Crime and Terrorism**

Although criminal organizations, particularly when threatened by law enforcement or competitors, could resort to terror and develop alliances of convenience with terrorists, the fact remains that the two kinds of organizations have different long-term objectives.

Transnational criminal organizations, in general, are willing or even prefer to work within the existing host-system as long as the latter is malleable. Insofar as organized crime has any identifiable political objectives, it tends to direct its efforts against specific law enforcement policies rather than towards the overthrow of the existing power structure. If possible, organized crime prefers to follow the 'soft strategy' of corruption of public officials. Transnational criminal organizations engage in terror simply and only to provide a more congenial environment for their criminal enterprises. This behavioral pattern, however, is likely to deteriorate and favor increasingly drastic measures if the criminal organization perceives its own existence is threatened. Terrorist organizations, in contrast, pursue political objectives that often are aimed at the overthrow of the status quo at either the state or the international level. If terrorist groups decide to engage in traditional criminal activity, such as drugs or arms trafficking, they normally do so for the purpose of obtaining resources which enable them to pursue more effectively their aims and objectives. Despite this fundamental difference between the means and ends of criminal and terrorist organizations, however, there may be factors which suggest a growing, and perhaps irreversible, trend towards convergence. (Williams, 1996, p.25)

First, transnational criminal organizations are increasingly resorting to terror tactics. Examples in this context are the Italian Mafia, Russian organized crime groups, and, as previously shown, Colombian cartels. All these groups have used terrorist tactics against the state and its representatives, and sometimes against competitors. They have done so to disrupt investigations, retaliate for successful law enforcement operations, to deter the introduction or continuation of vigorous government policies, to intimidate or

eliminate effective law enforcement officials, or to coerce judges into more lenient sentencing policies. All these operations had one goal in common—to create an environment more conducive to criminal activity. (Williams, 1996, p.25)

Second, transnational criminal organizations seem willing to develop direct links with groups that use indiscriminate violence for political ends. As the example of narcoterrorism in Peru has shown, the involvement of *Sendero Luminoso* in the cocaine trade made decisive government action much more difficult, and in fact paralyzed the government for a significant period. For SL in turn the taxing of drug trafficking provides for a continuous flow of financial resources for their revolutionary campaign. What thus developed, is described by Gabriela Tarazona-Sevillano as “...a business relationship in which each side uses the other to achieve its respective goals.” (Tarazona, 1990, p.100)

A third element influencing the convergence between terrorism and transnational organized crime is the changed security context. In the post-cold war era, international terrorism has lost a significant amount of sponsorship. While state-sponsored terrorism still exists, it has become less important.<sup>81</sup> As terrorist organizations find that government financial support is in the decline, they seem likely to turn to organized crime as an alternative source of funds. Thus, as Phil Williams puts it “...deals involving weapons for illicit products *or services* are likely to become more prevalent.” (Williams, 1996, p.26; emphasis mine)

The final element is technological opportunity. The theft of biological or chemical weapons, the availability of technological know-how through the help of willing insiders, the purchase of nuclear material or even weapons and its potential use for large-scale extortion and WMD-blackmail, are likely to make the distinction between crimes of extortion and terrorism more difficult (Williams, 1996, p.26). Russian organized criminal groups reportedly have already been involved in nuclear trafficking. The security of nuclear and other WMD in the FSU remains an unsolved problem. Any organized criminal group with access could provide a terrorist organization with a device, thus creating a

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<sup>81</sup> See the discussion in Chapter II.

threat situation that could not be ignored by law enforcement agencies, and diverting investigative efforts that otherwise would have targeted their own criminal group.

While the motives of terrorist groups and transnational criminal organizations may differ, the strategies they adopt to achieve their objectives seem to converge. Linkages and alliances of convenience between them are likely—at least in the short-term—to saturate law enforcement agencies. Additionally they will make both traditional law enforcement efforts and counter-terrorism strategies more difficult. (Williams, 1996, p.25)

Whereas the threat posed by organized crime is rather subtle and indirect, terrorist activities are perceived as more threatening to the security of affected nations. Law enforcement agencies could not but focus their efforts on combating the putative greater threat posed by terrorism. This would become a most attractive solution for organized criminal groups, since this situation provides for one of their major objectives—a more congenial environment for their enterprises.

## **2. A Decision Making Model**

The developments of the recent years, particularly the increase of transnational organized crime that can be linked to the emergence of Russian mafia organizations on the international arena, lead to the assumption that organized crime, at least for the predictable future, is likely to remain the most powerful non-state actor. In Russia itself this has led to a quasi-criminal state, a situation that even is confirmed by the Russian President himself. On September 24, 1997 President Yeltsin reportedly said that “criminals have today brazenly entered the political arena and are dictating its laws, helped by corrupt officials.”<sup>82</sup> (U.S. Congress, Hearing on October 1, 1997, p.81)

From a global perspective, joint-ventures between organized crime groups are already in existence: Russian mafia delivers weapons to Colombian cartels in exchange for illicit drugs; Italian and Russian criminal organizations cooperate in arms trafficking;

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<sup>82</sup> In 1994, Yeltsin reportedly called his country “the biggest mafia state in the world...the superpower of crime that is devouring the state from top to bottom” (U.S. Congress, Hearing on October 1, 1997, p.81).

Colombian drug lords link up with Nigerian crime groups who provide couriers for European deliveries; and money laundering is based on the mutual support the various transnational crime groups provide to each other. Globalization, it seems, works predominantly to the advantage of organized crime. An alliance with terrorist organizations thus would only be the logical consequence of a behavioral pattern that is not significantly different from the strategies of legitimate corporations—diversification for reasons of market domination.

The decision making model described in Figure 4-3 is based on the assumption that under contemporary circumstances any alliance between organized crime—hereafter OC—and terrorism—hereafter T—is likely to be initiated and subsequently dominated by the former.<sup>83</sup> While terrorist groups might seek an alliance with OC in search of financial support, the existing balance of power between the two non-state actors suggests that any form of cooperation has primarily to suit the objectives of OC. As long as OC's organizational survival or business interests are not threatened, OC prefers to ignore the country it operates in. In contrast to T, which sporadically makes its presence felt, OC tends to create a continuous pattern of activities. This continuity makes criminal organizations more vulnerable to law enforcement efforts. Facing a higher 'law enforcement risk', OC is likely to experience an increasing threat to its organizational survival.<sup>84</sup> Once this threshold is passed, OC might seek an alliance of convenience with a terrorist group that is able to conduct operations which in turn will temporarily constitute a more pressing and greater threat to the national security of the host nation(s). Given the vaster resources and networks of OC, it can be assumed that once an alliance has been formed, OC will remain the dominant partner.

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<sup>83</sup> OC in the context of this model stands for any organized criminal organization. It thus constitutes a single target out of a variety of many targets.

<sup>84</sup> Apprehension, arrest, and conviction are the elements of the 'law enforcement risk' that criminal organizations face (Williams and Savona, 1996, p.47).

The following model is probabilistic and not deterministic. It does not represent the only conceivable set of options. In the author's opinion, however, it is the most likely one.

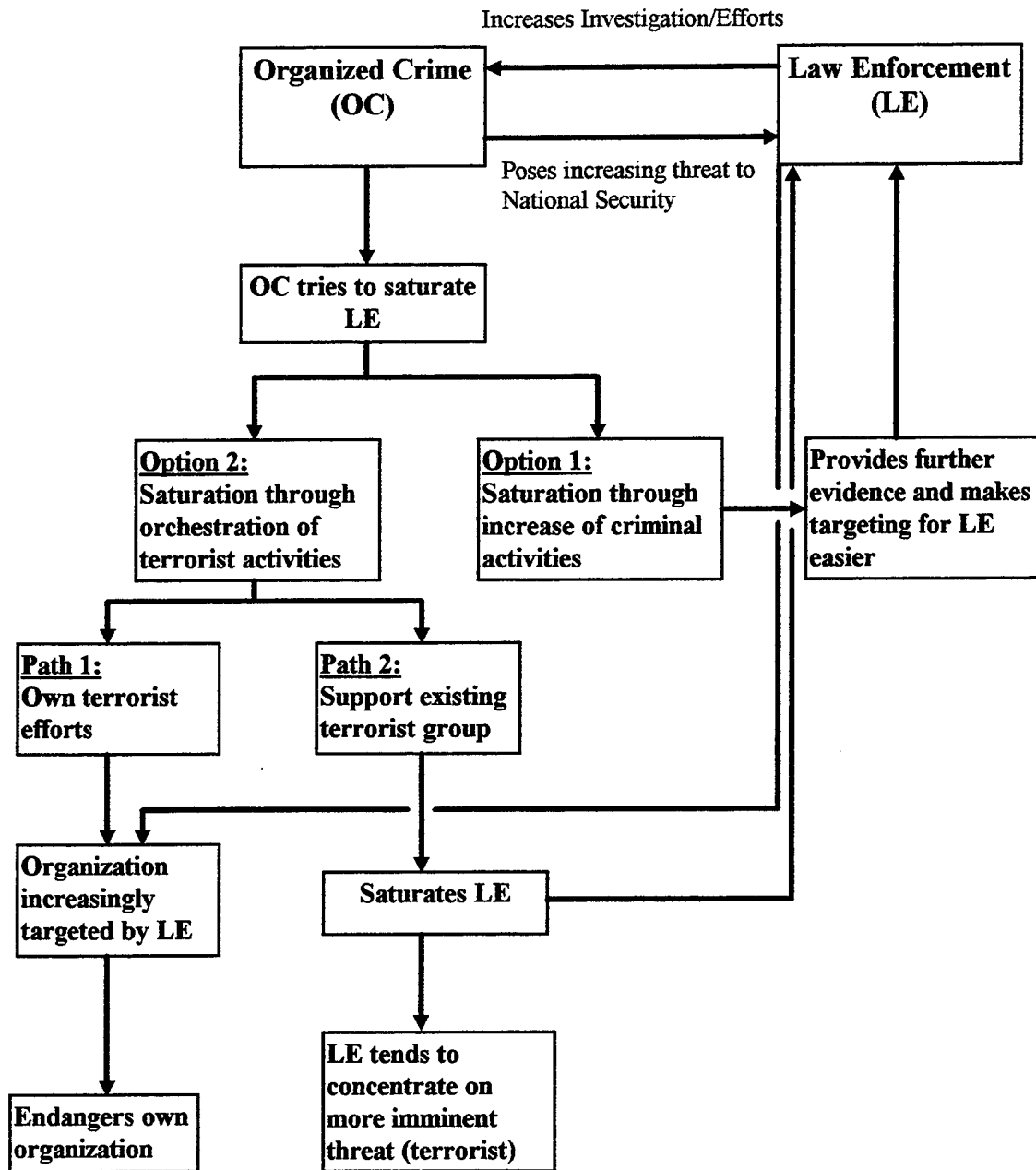


Figure 4-3. —Decision Making Process

The beginning of the process is characterized by a twofold situation. First, OC is flourishing and thus poses an increasing threat to the national security of the affected nation(s). In response, law enforcement—hereafter LE—cannot but increase its efforts to combat OC.<sup>85</sup> In another likely situation, LE, responding to an already significant threat, increases its efforts to combat OC, which in turn, trying to compensate for subsequent losses, cannot but intensify its criminal activities. Since LE has no other option but to target and combat OC, this situation, in the context of this model, at the same time constitutes the dilemma for LE.

While in developing democratic systems, as the example of Russia and other members of the FSU has shown, OC is likely to reach an equilibrium, or even to become proactive through corruption and intimidation, the situation in developed systems is favorable to LE. Consequently, in advanced industrial democracies, when criminal groups feel that their organizational survival is at risk, OC will try to saturate LE.

At this point two options seem to be realistic. Option 1 would lead to a saturation of LE through an increase in their criminal activities. This strategy, however, provides further evidence to LE, and makes the search and targeting process for LE easier. In turn, LE will further increase its efforts, with a more visible target in sight. For OC this process, at least in developed systems, represents a no-win situation. Thus, OC is likely to favor Option 2, the saturation of LE through the orchestration of terrorist activities.

Option 2 itself offers two different tracks. By following Path 1, OC would launch its own terrorist group. Since terrorist acts constitute the more imminent and dangerous threat, LE will prioritize counter-terrorism efforts. If OC were to follow this path, it would be increasingly targeted by LE. This development has the potential to endanger the survival of OC, which thus faces again a no-win situation.

Following Path 2 in Option 2, OC decides to clandestinely task and/or support an existing terrorist organization. This could include the tasking of a specific operation, which

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<sup>85</sup> LE in the context of this model is not a specific law enforcement agency of an affected nation or of a group of affected nations, but any agency or conglomerate of agencies tasked to combat OC.

is tailored to suit OC's (temporary) objectives.<sup>86</sup> A terrorist group would derive certain benefits from this alliance, particularly in terms of increased capabilities. But the main beneficiary of this alliance would be OC, at least while its sponsorship of T remains a secret. Increased terrorist activities, or even a single spectacular act, are likely to saturate LE—at least temporarily. This assumption remains realistic as long as the terrorist threat is kept at a high level. Any technology, including WMD, provided by OC to the terrorist organization in question, and the terrorist's determination and credibility to use this power, would in a continuous struggle be decisive for the success of OC.<sup>87</sup> Since for reasons already mentioned LE cannot but concentrate its assets and resources in the counter-terrorism effort, OC is in a winning situation.

In conclusion, and from the perspective of OC, the opening of a second battlefield, a second front, is most likely to saturate LE. As the previous discussion has shown in such a situation terrorist organizations would become likely coalition partners for OC.

### **3. About Alliances**

It would be irresponsible to predict an alliance between specific terrorist groups and transnational organized crime, given the variety of organizations in existence and the variety of imaginable constellations. Thus, the subsequent discussion on a more abstract level will focus on influencing factors which are likely to favor or on the other hand to discourage such alliances. Since the discussion is a mere theoretical evaluation of probabilities, it assumes that the initial attempt to seek an alliance can be initiated by both types of criminal organizations—organized crime as well as terrorism.<sup>88</sup>

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<sup>86</sup> For example a bomb attack on LE-headquarters/LE-buildings or a computer attack on LE data banks.

<sup>87</sup> Credibility in this context is the product of the availability of and the will to use WMD. A single terrorist act thus would significantly increase the credibility of any organization that proclaims to be in possession of such weapons or technology.

<sup>88</sup> This approach does not negate the assumption of the previous section that under given circumstances—and most probably in the predictable future—transnational organized crime is likely to remain the dominant force in any relationship between these two non-state actors.



*a. Supply-Demand Relationships*

As the Colombian example already has shown, supply-demand relationships are an important factor that favors the formation and development of alliances between organized crime (OC) and terrorism (T). These relationships can be divided into mere material supply-demand connections and in relationships (with an partially immaterial character, such as goods for services) where an actual exchange of goods does not necessarily occur.

In the first case, for example, a limited and strictly controlled weapons market could cause T to approach OC. Given OC's transnational connections, it should not be difficult to satisfy T's weapons needs. Examples include the strict weapons control legislature in Japan and the subsequent attempt by Aum Shinri Kyo to buy weapons from the Japanese Yakuza (Kaplan, 1996, pp.167-73). Whereas this cooperation, from the viewpoint of Japanese law enforcement, involves two domestic actors, similar relations can easily occur on a transnational level. Aum Shinri Kyo's attempt to buy weapons and fissile material—preferably a complete nuclear device—from the Russian mafia provides an example (Kaplan, 1996, pp.190-98).

In the second case—the immaterial supply-demand relationship—goods or financial support are being traded for a specific service. In the case of the Colombian narco-guerrilla connection, OC, in the initial phase of cooperation, subsidized the guerrillas in the attempt to deflect the attention of law enforcement. The guerrillas in response increased their activities against the state, causing the latter, at least temporarily, to divert its activities from OC to T.

In this case, the service did not require an immediate pay-back. Alliances are imaginable in which OC provides support in the expectation that T will provide a future service if and when deemed necessary by OC. The example of the Colombian-Lebanese connection would support this kind of a “sleeping strategic alliance”. Hezbollah currently receives regular financial support in exchange for a promise to conduct terrorist actions on OC's behalf, if the latter should require it in the future. In such a “sleeping

alliance", any further influence by OC on the contemporary pattern of T's activities is not taken.<sup>89</sup>

**b.     *Dominant Partner Relationships***

The (organizational) level of development is another factor that might determine a possible alliance between OC and T. The basic assumption in this context is the development of a senior-junior partnership. If one of the organizations in question is in its infancy, or in decline, whereas the other is an established powerful non-state actor, a partnership would allow the former to flourish or at least survive. T might seek such an alliance to compensate for decreasing ideological support, or a lack of formerly available state-sponsorship which in effect leads to T's decline and might endanger the survival of the organization.

As the German news magazine *Der Spiegel* reported, the 1997 change in the Iranian administration, replacing the fundamentalist government of former President Hashemi Rafsanjani by the more liberal (at least by Iranian standards) administration of Mohammed Chatami might lead to a future decrease of Iranian support for Hezbollah. Reportedly Kamal Charrasi, Iran's Minister of Foreign Affairs, advised Hezbollah officials in April this year to seek parliamentary alternatives to the armed struggle (*Der Spiegel*, April 13, 1998, pp.136-37). Assuming Hezbollah desires to continue its struggle against the "Great Satan", the strategic importance of its relationship with Colombian drug cartels is likely to increase.

Another example of a senior-junior relationship is the case of the Peruvian narco-guerrilla connection. Here it has become obvious that this kind of alliance not only is, but most likely will remain determined by the lack of a coherent organizational structure on the side of the drug traffickers. Given their organizational and military strength, SL is likely to remain the senior partner.

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<sup>89</sup> With the exemption, that T is not to spoil operations of OC.

### *c. Congruence of Motivation*

The long-term objectives of OC and T may differ significantly. Whereas OC generally wants to exploit the weaknesses of the host-system in its favor, and does not seek radical change, T's long-term objectives often envisage a radical systemic change. While OC's main objective, beside organizational survival, is to maximize profit, the motivation behind terrorism is more complex. Ethnic, religious, socio-revolutionary, political-ideological motivation are the most common imperatives to which terrorism responds. Surrogate warfare and the already mentioned redemptive single act are activities which can also be linked to the imperatives stated above. Again, the example of the Colombian narco-guerrilla connection has shown that alliances of convenience between OC and the socio-revolutionary type of T can actually develop. Since the motivations of both partners in this kind of cooperation differ rather drastically, these relationships can become subject to dynamics which can even lead to a clash between the two criminal organizations until a settlement, agreement, or equilibrium is reached. The increase of external threats, such as law enforcement efforts, has a cohesive effect on this kind of alliances.

Criminal and psychotic terrorists constitute exceptions in this context. The criminal terrorist, because he responds to the same motivation as OC, namely profit; the psychotic type of terrorist because his behavioral pattern is not predictable and does not respond to rational outward motives.

The more congruent the motivations are, the likelier an alliance between OC and T will be. Furthermore, the congruence of motivation has a direct impact on the duration of alliances.

### *d. Temporary vs. Long-Term Alliances*

Confluence of interests, the struggle for organizational survival, the acquisition of know-how, the congruence of motivation, and the question of whether both

organizations are in competition, are factors that are likely to influence the duration of OC-T alliances.

As for the confluence of interests the case is similar to the argumentation offered in the context of the supply-demand relationship. As long as interests match each other, the alliance is likely to continue and hence can give rise to a long-term alliance. Again, the Colombian-Lebanese connection can serve as an example: as long as it is in the interest of Colombian cartels to target the U.S. due to its support for counter-narcotic operations, it is likely that support for Hezbollah will continue.

In the case of organizational survival, the weakness of one organization has to be matched by the strengths of the partner-organization. Thus, alliances are likely to end when the weaker organization has reconstituted itself.

As for the congruence of motivation, a lack thereof is least important when OC and T are not in direct competition. The Colombian narco-guerrilla connection would be an example for a most competitive situation, whereas the Colombian-Lebanese connection does not carry a competitive element, and is unlikely to develop one.<sup>90</sup> In the latter case, although both organizations are acting on a transnational level, T is in no position to challenge OC, and most likely would not choose to do so, even if it could.

In case of the acquisition of know-how, as, for example, training in terrorist methods or expansion into other fields such as cyber-terrorism, the alliance is likely to be a rather short-term one, since once the know-how is acquired the initial reason for the cooperation is no longer operative.

#### *e. Summary*

Any alliance between OC and T presumably will be influenced by more than one of the above mentioned factors. Unless one of the criminal organizations is in a clearly dominant position, alliances between both criminal phenomena are likely to be

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<sup>90</sup> In the sense that both, Colombian OC and guerrillas are competing in the same business (narco-trafficking) and in the same, or at least adjacent territories.

complex in nature. Against the background of the previous discussion, the appearance of short- and mid-term alliances seems to be more likely than the emergence of long-term strategic cooperation. Alliances of convenience seem to serve the interests of both, OC and T, best. Nevertheless, the connection between Colombian cartels and religious/politically motivated organizations like Hezbollah is alarming and offers a first indication of a more strategic pattern of cooperation.

#### **4. Conclusions**

While the motives of terrorist groups and transnational criminal organizations may differ, the strategies they adopt to achieve their objectives seem to converge. Linkages and alliances of convenience between them are likely—at least in the short- and mid-term perspective—to saturate law enforcement agencies. Whereas the threat posed by organized crime is rather subtle and indirect, terrorist activities are perceived as more threatening to the security of affected nations. Thus law enforcement agencies could not but focus their efforts to combat the putative greater threat posed by terrorism. This would suit organized criminal groups, since this situation provides for one of their major objectives—a more congenial environment for their enterprises.

Organized crime, at least for the predictable future, is likely to remain the most powerful non-state actor. Globalization, it seems, works predominantly in its favor. In the interest of global business it thus seems to be only a question of time before those criminal organizations begin merging and start working jointly. An alliance with terrorist organizations would only be the logical consequence of an already established behavioral pattern. Together with technology and weapons—including WMD—this kind of evolution could even lead to a quasi-equilibrium with the legitimate structures.

With Communism by and large a spent political force, with the resulting lack of available state-sponsorship, and the decline of ideological or socio-revolutionary terrorist groups, a convergence between OC and T seems to be only a logical consequence for T as well. Given the contemporary balance of power between OC and T on the transnational level, OC is likely to dominate future alliances.

### C. COUNTER STRATEGIES<sup>91</sup>

Contemporary transnational criminal organizations are operating in what for them is, in effect, a borderless world. Law enforcement, in contrast, remains significantly constrained by having to operate in what is still a world with frontiers. While criminals, terrorists, illicit drugs, weapons, and 'hot money' enjoy unprecedented mobility, law enforcement efforts often find their frontiers where cooperation is limited or not regulated. Mere procedural aspects which come along with the sovereignty of nations involved often tend to hamper progress that otherwise would have been possible. The international community, it seems, preoccupied as it was with the geopolitical bi-polarity and regional conflicts, has been slow to come to terms with the new challenge posed by the globalization of transnational organized crime and terrorism. (Williams and Savona, 1996, p.viii)

The World Ministerial Conference, sponsored by the United Nations in Naples/Italy from 21 to 23 November 1994, was the first event to discuss the dangers posed by transnational organized crime and to identify various forms of international cooperation for its prevention and control.<sup>92</sup> Following its recommendations, this subsection focuses on the two elements which should be the pillars of any strategy that attempts to successfully counter the challenge of transnational crime. The first element is constituted by those components of national policy that are particularly useful in combating organized crime. The emphasis, however, lies on the second element that moves from the domestic realm to that of international cooperation. It underlines the necessity of inter-state cooperation and argues for a transnational approach to a transnational problem. Internal security, it seems, is no longer a mere domestic issue, can

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<sup>91</sup> The following section follows predominantly Phil Williams and Ernesto Savona, (eds.), The United Nations and Transnational Organized Crime, Portland, Frank Cass & Co., 1996, a collection of background papers that were prepared for the World Ministerial Conference on Transnational Organized Crime.

<sup>92</sup> The Conference brought together Ministers of Justice and Ministers of the Interior from 142 states (Williams and Savona, 1996, p.viii).

no longer be achieved with national efforts alone, but demands a transnational approach. (Williams and Savona, 1996, pp.viii-ix)

## **1. National Efforts—Towards an Integrated Approach**

In the attempt to counter transnational organized criminal activities, any policy or strategy will have to consider both aspects, international cooperation and the efforts of the single nation to combat this phenomenon.

### ***a. Basic Concerns***

The progressive expansion of organized crime across borders, particularly at a time when efforts to secure economic integration and liberalize trade are being accentuated, makes the adoption and implementation of effective preventive and control measures essential.<sup>93</sup> A lack of such measures at the national level not only poses a threat to the economic development and security of that nation, but will also affect international cooperation to the benefit of criminal organizations. The absence of legal and regulatory measures against transnational organized crime reflects the difficulties faced by a large number of countries—particularly in those with developing systems and countries in transition. Because of their specific situation, and their economic potential for the future, these countries are primarily targeted by criminal organizations. This underlines the urgent need for a strengthened international cooperation and for assistance to those countries. (Williams and Savona, 1996, p.75)

While a significant number of countries has made considerable progress in implementing substantive legislation, law enforcement methods and other measures

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<sup>93</sup> Preventive measures are measures pursued in order to reduce the opportunities for accumulating profits through illicit activities, and to reduce the vulnerability of societies and governments to infiltration by organized crime.

Control measures are measures designed to weaken, disrupt and dismantle criminal organizations by prosecuting and convicting their members and tracing and confiscating the assets accumulated through, or used in, illicit activities. (Williams and Savona, 1996, p.43)

suitable to combat organized crime, there are still a number of countries that lack adequate legal provisions, as well as the judicial and investigative means and structures to successfully combat criminal organizations. The development of such methods and measures often encounters the limited availability of resources, which in turn makes prioritizing of objectives essential. It remains wishful thinking to fight all forms of crime with the same intensity in any particular society. A decision has to be taken on which of the most dangerous ones should be pursued, taking into account the limited resources available. In a next step, efforts by individual nations are synchronized to maximize the overall success. The difficulty of prioritizing objectives, however lies in determining the criteria for such a selection. The question whether organized crime is perceived as more dangerous to a particular society than other forms of traditional crime, such as street crimes, can lead to totally different answers. The level of awareness and perception of the significance of a threat, for example, increases in proportion to the probability of being personally affected by the crime. It could be that transnational organized crime is perceived as less threatening than other forms of crime. Consequently, in countries where organized crime does not strike the public as being as violent or as damaging as it is in other countries, it may not be regarded as a priority. Decision-makers, who are sensitive to public opinion may be forced to take decisions that re-allocate resources which otherwise could have been used in the fight against organized crime. Furthermore, the existence of a global-local nexus in relation to transnational organized crime is a reality, and should be addressed. (Williams and Savona, 1996, pp.75-76)

***b. Recommendations***

Following the recommendations of the United Nations, in the area of substantial legislation, efforts against transnational organized crime would be considerably strengthened through legislative reforms focused on:

- Criminalization of participation in a criminal organization;
- Criminalization of conspiracy or similar forms of inchoate offenses;



- Prohibition of the laundering of criminal profits;
- Sanctions and other measures, such as the confiscation of goods, ...aimed at defeating the economic power of criminal organizations. (Williams and Savona, 1996, p.76)

In regard to law enforcement activities and criminal proceedings, strategic measures are required in the following areas:

- The improvement of intelligence in order to identify the organizational structure of criminal groups, types of activity of these groups, inter-relations between various groups and the means they use for self-perpetuation;
- The development of investigative methods that make it possible to 'penetrate' criminal organizations,...the interceptions of communications, the use of undercover operations and controlled deliveries, the protection of witnesses and victims, and the reward and protection for cooperative witnesses and accomplices;
- The development of investigative methods and...mechanisms aimed at seizing and freezing illicit profits.... (Williams and Savona, 1996, p.76)

The measures stated above, however, are only likely to be successful, if supplemented by appropriate coordination and cooperation between agencies involved. Unfortunately, limited resources and the never ending struggle of 'competitive' agencies often lead to a counter-productive effect. On the other hand, the concentration of energies and resources in a specialized agency could be an innovative organizational approach only if this concentration truly happens.

Supplementing, preventive strategies to counter the growing threat to the economy posed by organized crime, are mostly designed to preserve the stability of financial institutions and focus on:

- The provision of technical and forensic training for police, prosecutors and judges, enabling them to understand financial operations and collect evidence;
- The limitation of bank secrecy and other relevant regulations;

- A more active role for financial institutions in appropriate situations, for example in reporting suspicious transaction. (Williams and Savona, 1996, p.77)

The integration of these strategies, policies and measures into a concerted effort is a challenging but promising answer on the national level to the increasing threat posed by criminal organizations.

## **2. International Cooperation**

As organized crime increasingly is becoming a transnational phenomenon, any response to it must be transnational as well. Although the degree of international cooperation has increased significantly in the last 20 years, organized crime always seems to be a step ahead. Criminal organizations have proven to be not only highly sophisticated, but also extremely adaptable in their efforts to exploit the existing gaps in the patterns of cooperation. Against this background, the international cooperation that has already developed needs to be strengthened, and further intensified. (Williams and Savona, 1996, p.80)

### ***a. Rationale for Cooperation***

As the example of Russia has shown, organized crime is not only becoming stronger and more diverse, but also engaging more and more frequently in systematic forms of cooperation designed to further enlarge the spectrum of their activities. In consequence, organized criminal groups not only extend the reach of their illicit markets, but also expand their capacity to infiltrate legitimate business. Their enhanced mobility, their capacity to exploit licit commerce for concealment of their activities, and the use of the global banking system to accumulate, move, and launder the revenues of their crimes, make it extremely difficult for any single nation to adequately respond to this threat. This inability of any given government acting alone to make major inroads on criminal organizations that operate transnationally, is the single most important factor for cooperation. While the unilateral enforcement efforts by a single country may lead to a

temporary success, they tend to do only little harm to the criminal organization in toto. Most transnational criminal organizations tend to operate from a safe haven in home bases in which criminal justice systems are weaker, and corruption more effective. As Williams and Savona point out,

...these organizations [furthermore] profit from the lack of homogeneity of national countermeasures and have proved capable of adapting themselves to the different national settings and law enforcement obstacles by choosing the activities they can carry out more easily in different countries and by always being quick to transfer their activities to other countries when national countermeasures become more efficient.

Even when efforts are made to compensate for the weaknesses of the domestic system, through extradition and subsequent prosecution in other countries, criminals use nationalism and sovereignty as defensive symbols against extradition efforts. (Williams and Savona, 1996, p.81)

Against this background, extensive cooperation with, and assistance to, countries that are experiencing the most difficulties with organized criminals, and consequently may be used as safe havens, requires particular attention. Therefore, it is essential to strengthen the states with weaker criminal justice or law enforcement systems. The attempt to meet the challenge posed by transnational organized crime will only be successful, if law enforcement agencies are able to display the same mobility, the same ingenuity and innovation, and the same organizational flexibility as their antagonists. Consequently, bilateral and multilateral legal mechanisms will have to be more homogeneous to promise success. Only this adaptation will allow law enforcement officials to display the same mobility and efficiency as the criminals they pursue. (Williams and Savona, 1996, p.82)

#### ***b. Factors Hampering Cooperation***

In spite of the imperatives for cooperation, criminal law has long been a matter of national jurisdiction and a main expression of national sovereignty. The key assumption in this context is that a given state recognizes no higher legal and constitutional authority than itself and has a monopoly of the legitimate use of (lethal)

force. Furthermore, the state's duty to protect its citizens is generally taken to mean that citizens who transgress should be prosecuted under that state's own law. Even if another sovereign entity has good reason for prosecution, states are often reluctant to extradite their own nationals to another jurisdiction. Even if a state is willing to extradite its citizens in such a situation, this act may provoke violent opposition by the transnational criminal organization in its home base. Thus, the political relationship between states becomes an important factor in terms of their ability and willingness to cooperate. The more difficult the relationship, the more sensitive the cooperation in jurisdiction and law enforcement matters. Different ideologies or different levels of respect for human rights, civil liberties and freedom are likely to further complicate such cooperation. So far, law enforcement cooperation traditionally has been treated as a 'minor policy', subordinate to 'major policies' such as diplomatic relations or political and military alignments. The increasing threat from transnational organized crime, however, makes law enforcement cooperation a priority. (Williams and Savona, 1996, p.84)

A further problem exists in the varying levels of effectiveness and efficiency of the criminal justice systems of different states. These differences in the effectiveness of legal systems are in turn the weaknesses which organized crime awaits to exploit. Therefore, harmonization of national legislation is the premise on which the process of coordinating national efforts to check transnational organized crime is based. (Williams and Savona, 1996, p.85)

The basic challenge that these restrictions on cooperation pose is the question, "... how to control growing domains of transnational activities that either ignore or take advantage of national borders when the powers of the state remain powerfully circumscribed by the political, geographical, and legal limitations that attend notions of national sovereignty." (Nadelmann, 1993, p.xiv) This challenge could be met best, if nations recognize that continued preoccupation with the symbolism of maintaining national sovereignty in law enforcement efforts can lead to the opposite, a situation where sovereignty is systematically undermined by transnational criminal organizations. The

conclusion for affected states should be that some nominal sacrifices of sovereignty are likely to make transnational law enforcement efforts much more effective. (Williams and Savona, 1996, p.86)

*c. Factors Enhancing Cooperation*

As the previous discussion has shown, obstacles to cooperation should not be ignored, but overcome. Furthermore, cooperation can take place at several different levels and in several different ways. It can be bilateral and multilateral in scope, and it can be formal or informal. Whereas bilateral forms of cooperation between states with similar preoccupations and approaches tend to have a high payoff, high-profile bilateral cooperation between extremely unequal powers can lead to rejection or become unpopular in the weaker state. Under such circumstances it may be more expedient to opt for a multilateral approach than to operate bilaterally. In the words of Williams and Savona,

A 'variable geometry' approach to cooperation, based on a thickening web of bilateral linkages completed by multilateral approaches that provide a framework of principles, has certain advantages, especially if it can be developed in ways that allow it to take on its own dynamism. Incremental forms of cooperation help to build up trust and make it possible to move to more comprehensive activities. To the extent that cooperative ventures are successful, then the inhibitions to further cooperation are likely to be eroded, encouraging new initiatives. (Williams and Savona, 1996, p.87)

Cooperation on the other hand should not be pursued at the expense of all other goals, particularly not at the expense of the integrity and effectiveness of national investigations. It thus "...should be multifaceted –and encompass such activities as extradition and mutual assistance, a willingness to enforce foreign judgments, and a readiness to transfer criminal proceedings and offenders from one jurisdiction to another." (Williams and Savona, 1996, p.90)

Additionally, it has to be recognized that cooperation is not simply a substantive matter, but also a procedural one. One approach to this problem is to assign a central authority with the task of facilitating and coordinating international cooperation

efforts, including such matters as extradition requests and the implementation of treaties. (Williams and Savona, 1996, p.90)

The process of creating structures that would support such an approach need not to begin at ground zero. NATO, as a security alliance possesses the required organizational structures and an appropriate administrative apparatus. It also has resources at its disposal that could be most valuable in the fight against transnational organized crime.<sup>94</sup>

According to the 'Discussion Guide for the Ninth United Nations Congress on the Prevention of Crime and the Treatment of Offenders' cooperation should mobilize, pool and jointly use "...available resources, including expertise and facilities such as training centers, and through transfer of knowledge, information and technology to foster operational compatibility on a global scale." (Williams and Savona, 1996, pp.90,105)

While law enforcement should not become an exclusive task for the military, the report on "DOD Responses to Transnational Threats", provided by the Defense Science Board (DSB) 1997 Summer Study Task Force, clearly states that DOD could respond to such threats without a change in national roles and missions, and without change in its own organization.

Transnational threats demand a transnational response. In such a situation, unconventional solutions should not be neglected. This would limit future options and is likely to work in favor of those criminal organizations who are successful, because they in turn exploit conventions that limit the operations of their opponents.

#### *d. Recommendations*

Any kind of cooperation and counter-strategy ultimately will depend upon the will of governments to allocate both human and financial resources to the efforts to control and prevent transnational organized crime. This in turn requires recognition of the

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<sup>94</sup> For example: Intelligence and surveillance capabilities; Command, Control, and Communication Structures. The most valuable 'resource', however, is the a nearly fifty-year experience in international cooperation and coordination of security efforts.

threat throughout national governments, and not only in ministries of justice or the interior.

What thus emerges out of the previous discussion is the need for an enhanced and strengthened international cooperation with the main focus in the following areas:

- Harmonization of legislative and other countermeasures;
- Training and exchange of law enforcement and criminal justice personnel;
- Information-sharing among relevant agencies;
- Joint force operations [and]/or task forces;
- Protection of witnesses, investigators, and judges;
- Elaboration of new measures and updating of existing ones, on the basis of a periodic assessment of results achieved;
- Technical cooperation and assistance in drawing up such counter measures;
- Clear identification of coordinating authorities in the individual countries;
- Measures to encourage the adoption and improve the implementation of existing cooperation arrangements...;
- Effective coordination of activities at the bilateral, regional and multilateral levels. (Williams and Savona, 1996, p.104)

Considering the grave threat transnational organized crime poses to world security, the international community must begin to develop procedural and operational mechanisms to combat the problem on an adequate scale. Transnational threats can only be met with a transnational response. The internal security of an affected nation no longer ends where the sovereignty of this very nation starts. In the attempt to combat the transnational phenomena of organized crime and terrorism, the internal security of any nation affected constitutes no longer a mere domestic issue. Internal security thus requires a transnational dimension.

## V. CONCLUSIONS

*"This isn't a new problem, it is simply an old problem getting worse. Those out to do us harm are no longer just political zealots with a few sticks of dynamite. These are determined operatives, with access to very sophisticated information and technology..."*

**Gen. John M. Shalikashvili<sup>95</sup>**

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### A. MAJOR FINDINGS

#### 1. The Terrorists

As the analysis has shown, terrorists of the past followed identifiable patterns in their choice of tactics and targets. Bombs and guns were the favorite tools of traditional terrorist groups, with an emphasis on bombing. The bombs that were used range from high sophisticated devices, to crude self made types.

While the total number of incidents in International Terrorism has declined, the number of casualties has risen. Terrorists have become more adapted to violence.

As for targeting, the main discrete targets—diplomats, government officials, and the military—are likely to remain the same. Nevertheless, contemporary terrorism affects a broader spectrum of the population than it did in the past.

Factors that influence and cause terrorism are most complex and are likely to become more so. Thus, predictions about future terrorist activities, and the development of a successful preemptive strategy remain a most challenging task.

Since politically motivated terrorism is in decline, and religious terrorism on the ascendant, self-imposed constraints of the past are harder to recognize. The increasing number of cults, sects and groups that view the millennium in apocalyptic terms and feel themselves bound to hasten Armageddon should also be factored in. Terrorists, organized

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<sup>95</sup> Quoted in: The Defense Science Board 1997 Summer Study Task Force, DOD Responses to Transnational Threats: Volume I—Final Report, Office of the Under Secretary of Defense For Acquisition & Technology, Washington DC, October 1997, p.1.



crime, fanatical single issue groups, and even individuals are able to muster know-how and resources that were once limited to world and regional powers. As the subway attack in Tokyo has shown, WMD seem to fit perfectly into the recent trends towards more lethality.

The appearance of new types of terrorists from the margins makes targeting and preemptive measures for law enforcement agencies even more difficult. In addition, the old-fashioned type of terrorist has adapted, grown, and learned. Technology has proven to be a double-edged sword. New technologies that are coming on-line not only are of benefit for government and business organizations, but for terrorist and criminals as well. The information systems used by advanced societies and their vulnerabilities offer a new battlefield which is likely to be exploited by terrorists and organized crime.

In consequence, nowadays' societies have to face the evolved, traditional terrorist together with the new breed described above, as they have to face old, traditional technologies together with the whole spectrum of WMD.

## **2. The Criminals**

Russian organized crime, in its different metamorphoses, has been a history of responses by the legitimate structures to the presence of the former. The weakness of the legitimate structures accounted for the latent readiness to negotiate with entities outside of the dominant system. In the end, economic inefficiencies led to the rapid decline of the Soviet regime, and organized crime became a dominant force.

The political and economic aspects of contemporary organized crime constitute a force that undermines the political as well as the economic stability of Russia and threatens its continued progress towards democracy and market economics. The collusion between parts of the former political nomenclature and economically powerful criminal groups represents a new form of authoritarianism with an international reach. In Russia itself it led to the emergence of a quasi-criminal state.

Today, an estimated 110 Russian mafia gangs operate in more than 44 countries worldwide. Several of the larger organizations are already cooperating with other mafia

groups such as the Yakuza, the Colombian Cartels, or the Italian Mafia. As criminal organizations and gangster bureaucrats position themselves to increase their political power and wealth, their criminal activities are likely to further extend internationally.

Since 1991 Europe and the U.S. have already witnessed a significant increase in Russian organized crime. According to the FBI, Russian syndicates conduct the most sophisticated criminal operations ever seen in the United States. Jim E. Moody, who investigated Russian organized crime for the FBI until retiring as Deputy Assistant Director of the criminal division last year, said that what is striking about the Russian organizations is that they appear to be willing to make deals with everyone (Farah, Washington Post, September 29, 1997).

While most of the criminal activities encompass traditional mafia crimes, the exploitation of Russia's military-industrial complex adds new vistas to an already significant threat. Whereas interdicted smuggling incidents to date have been minor, nuclear trafficking remains a low-profile but potentially dangerous threat to international security. Given the existent demand in rogue states such as Iraq or North Korea, and among ruthless terrorist groups, Russia's southern tier could easily develop into a transit zone for potential proliferators.

An increasing level of corruption in the Russian armed forces, caused by economic hardships and low morale, makes the access to willing insiders easier. This development not only encourages nuclear proliferation, but also enables organized crime groups to obtain nearly every weapons technology, including the whole WMD spectrum. Today, the majority of the American people find the prospect of WMD terrorism among the most likely and frightening outcomes of the post-cold war era. In a 1997 poll, 76 percent of those interviewed believed that a terrorist group will use a weapon of mass destruction on American soil within the next decade.<sup>96</sup>

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<sup>96</sup> According to a statement by Benjamin Gilman, Chairman of the Committee on International Relations, House of Representatives, made in a Hearing on October 1, 1997.

Although organized crime can undermine the sovereignty of a state, criminal organizations normally do not deliberately seek to do so, at least not as long as the host nation does not threaten the criminal organization or business itself. When threatened by law enforcement, however, these criminal groups tend to respond with every means available.

### **3. The Narcoterrorists**

As the example of narcoterrorism shows, profiteering drug cartels provide modern weaponry and funds to ideologically driven terrorists. Although each side ultimately seeks different ends, in the short-, and sometimes mid-term each benefits from the association. As the case of the Colombian narco-guerrilla connection has shown, once an alliance has occurred the relationship's dynamics can lead to the evolution of new criminal wings on each side of the coalition.

Of greater concern in the transnational context is the pattern of the Colombian-Lebanese connection. Here, the fusion of money and fanatical hatred is likely to provide for an explosive mixture.

As the example of narcoterrorism has shown, the existence of different long-term objectives did not exclude short- or mid-term alliances as long as they served the common goal of saturating law enforcement agencies. Thus, evidence exists that under specific circumstances organized crime and terrorists may seek alliances which otherwise seem unlikely. The chance of a continuous cooperation is greater if either organization can remain dominant, or if the partners in question are not in criminal competition in terms of territory or business.

### **4. The Alliances**

Insofar as organized crime has any identifiable political objectives, it tends to direct its efforts against specific law enforcement policies rather than towards the overthrow of the existing power structure. It prefers to follow the 'soft strategy' of corruption of public

officials. Thus, one can argue, transnational criminal organizations engage in terror simply and only to provide a more congenial environment for their criminal enterprises.

Terrorist organizations, on the other hand, pursue political objectives that often are aimed at the overthrow of the status quo at either the state or the international level. If terrorist groups decide to engage in traditional criminal activity, they normally do so for the purpose of obtaining resources which enable them to pursue more effectively their aims and objectives. Despite this fundamental difference between the means and ends of criminal and terrorist organizations, there may be factors which suggest a growing, and perhaps irreversible, trend towards convergence.

First, transnational criminal organizations are increasingly resorting to terror tactics. Having a single goal in common, these operations seek to create an environment more conducive to criminal activity. Second, transnational criminal organizations seem willing to develop direct links with groups that use indiscriminate violence for otherwise political ends. As the example of narcoterrorism in Peru has shown, the involvement of *Sendero Luminoso* made decisive government action much more difficult.

A third element influencing the convergence between terrorism and transnational organized crime is the changed security context. In the post-cold war era, international terrorism has lost a significant amount of sponsorship. While state-sponsored terrorism still exists, it has become less important. As terrorist organizations find that government financial support is in decline, they seem likely to turn to organized crime as an alternative source of funds.

Finally, the theft of biological or chemical weapons, the availability of technological know-how through the help of 'willing' insiders, the purchase of nuclear material or even weapons and its potential use for large-scale extortion and WMD-blackmail, are likely to make the distinction between crimes of extortion and terrorism more difficult. With the lack of adequate security of nuclear and other WMD in the FSU, Russian organized criminal groups reportedly have already been involved in nuclear trafficking.

While the motives of terrorist groups and transnational criminal organizations may differ, the strategies they adopt to achieve their objectives seem to converge. Linkages and alliances of convenience between them are likely to at least temporarily saturate law enforcement agencies.

Whereas the threat posed by organized crime is rather subtle and indirect, terrorist activities are perceived as more threatening to the security of affected nations. Thus law enforcement agencies could not but focus their efforts on combating the putative greater threat posed by terrorism. This would become a most attractive solution for organized criminal groups, since this situation provides for one of their major objectives—a more congenial environment for their enterprises.

The appearance of short- and mid-term alliances seems more likely than the emergence of long-term strategic cooperation. Alliances of convenience seem to serve the interests of both, organized crime and terrorism, best. Nevertheless, the connection between Colombian cartels and religious/politically motivated organizations like Hezbollah is alarming and offers a first indication of a more strategic pattern of cooperation.

Organized crime, at least for the predictable future, is likely to remain the most powerful non-state actor. Globalization, it seems, works predominantly in its favor. An alliance with terrorist organizations would only be the logical consequence of an already established behavioral pattern. Together with technology and weapons—including WMD—this kind of evolution could even lead to a quasi-equilibrium with the legitimate structures.

## **5. The Counter-Strategies**

The progressive expansion of organized crime across borders, particularly at a time when efforts to secure economic integration and liberalize trade are being accentuated, makes the adoption and implementation of effective preventive and control measures essential. A lack of such measures at the national level not only poses a threat to the economic development and security of a nation, but will also adversely affect international cooperation.

As organized crime has long since crossed national borders and is increasingly becoming a transnational phenomenon, any response to it, if it is to be effective, should be transnational as well. Criminal organizations in the past have proven to be not only highly sophisticated, but also extremely adaptable in their efforts to exploit the existing gaps in the patterns of cooperation. Against this background, the international cooperation that has already developed needs to be intensified.

As the example of Russia has shown, organized crime is not only becoming stronger and more diverse, but also engaging more and more frequently in systematic forms of cooperation designed to further enlarge the spectrum of its activities. In consequence, organized criminal organizations not only extend the reach of their illicit markets, but also expand their capacity to infiltrate legitimate business. Their enhanced mobility, their capacity to exploit licit commerce for concealment of their activities, and the use of the global banking system to accumulate, move, and launder the revenues of their crimes, make it extremely difficult for any single nation to adequately respond to this threat.

This challenge, it seems, could be met, if nations recognized that continued preoccupation with the symbolism of maintaining national sovereignty in law enforcement efforts can be counterproductive. Nominal sacrifices of sovereignty are likely to make transnational law enforcement efforts much more effective. The process of creating structures that would support this approach is already under way. NATO, as a security alliance, commands the organizational structures, an appropriate administrative apparatus, and has resources at its disposal that could be most valuable in the fight against transnational organized crime.

Any kind of cooperation and counter-strategy ultimately will depend upon the will of governments to allocate both human and financial resources to the efforts to control and prevent transnational organized crime. Considering the grave threat transnational organized crime poses to world security, the international community must begin to develop procedural and operational mechanisms to combat the problem on an adequate

scale. Transnational threats can only be met with a transnational response. The internal security of an affected nation no longer ends where the sovereignty of this very nation starts. In the attempt to combat the transnational phenomena of organized crime and terrorism, the internal security of any nation affected constitutes no longer a mere domestic issue. Internal security requires a transnational dimension.

## **6. The Outlook**

It is the strong believe of this author that the emergence of alliances between organized crime and terrorists is no longer a question of *if* it's going to happen. It is merely a question of *when* it will happen.

While the development of such future alliances not necessarily has to follow the decision making model introduced in this thesis, the contemporary balance of power between organized crime and terrorism points in this direction.

For law enforcement agencies the conclusion should be that preemptive search patterns and investigations should consider the possibility of linkages between these criminal organizations. Combating this threat will require operational, organizational, and legislative measures, as well as the will of the respective decision makers to treat this threat for what it is –a transnational challenge to the security of the free world.

Since freedom and liberty never have been a given, but often enough were the result of a an arduous struggle, they should be worth the efforts.

## **B. FUTURE RESEARCH**

The challenge that is posed by the recommendation to intensify international cooperation, is second only to the challenge of transnational organized crime itself. Legislative discrepancies have to be overcome as has the rivalry between existing law enforcement, intelligence and military organizations.

Future research thus could focus on the following:

- legislative aspects with the emphasis on harmonization of legal systems;

- organizational aspects with the emphasis on developing an appropriate flexible structure. Governments should consider the possible use of military resources and/or organizational structures in future counter-strategies against transnational criminal organizations, following either an uni-, bi- and multi-lateral approach. European governments should contemplate a future role for NATO in this context;
- operational aspects with the emphasis on the creation of new operational procedures. Governments should consider the creation of "combined joint crime task forces", nationally or as part of bilateral or multilateral cooperation. These task forces could combine elements and resources from traditional law enforcement agencies, the intelligence community and the military.





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